CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY EIGHTH PARLIAMENT

17 ELIZABETH II

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COMPRISING THE PERIOD FROM THE NINETEENTH DAY OF FEBRUARY, 1969,
TO THE NINETEENTH DAY OF MARCH, 1969, INCLUSIVE.

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THE QUEEN'S PRINTER, OTTAWA, 1969

29180—361½

HOUSE OF COMMONS

Wednesday, February 19, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. BALDWIN—DOCUMENT ALLEGED TO HAVE BEEN ISSUED BY HON. MEMBER FOR YORK EAST RESPECTING NEW RULES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege which I think should be brought to the attention of Your Honour and of the house, and in respect of which I have given notice pursuant to the appropriate standing order. This matter of privilege is one that I think affects to a considerable extent the members of this house; certainly it affects the hon. members on the government side directly, and I suppose all members indirectly.

I come directly to the point. My question of privilege arises from a statement that is made in what appears to be a form letter sent out by the hon. member for York East (Mr. Otto) to what would appear to be the electors of his constituency. With much of what he says in his letter or circular I agree, and I want to make it plain that I am not making any charges or suggestion, or saying anything derogatory about the hon. member. The particular part of the letter that needs to be brought to the attention of the house reads as follows:

> The new rules are now in effect, in the House of Commons, and since you will recall that I fought for these changes for six years, I am pleased to report that the business of the House of Commons will at long last progress with some efficiency.

Some hon. Members: Hear, hear.

Mr. Baldwin: I am glad the hon. members are seizing the only opportunity that they will have to applaud the contents of this letter. It continues:

> There have been some disappointments, mostly in the composition and power of the committees, because although the committees have been given a great deal of work to do, the government members of the committee have been instructed to make no changes to the bills, coming before the committee—

Some hon. Members: Shame.

• (2:10 p.m.)

Mr. Baldwin: I continue:

> —and to vote exactly as they are told by the government. However, since I have dealt with this at some length in a speech which was well covered by the press, I shall not go further into this subject, at this time.

Some hon. Members: Shame.

Mr. Baldwin: If this letter is widely circulated in Toronto hon. members on the government side of the house may be subjected to criticism or abuse which this letter is bound to generate.

To show that there is some foundation to my question of privilege may I quote from citation 210 of Beauchesne's Parliamentary Rules and Forms, third edition:

> The privilege of freedom of speech enjoyed by members of parliament is in truth the privilege of their constituents. It is secured to members not for their personal benefit, but to enable them to discharge the functions of their office—

In some instances that rule has been exercised to protect hon. members from prosecution. To some extent the encroachments of the party system in the House of Commons have diminished this rule. Sometimes, on questions of principle, we vote by party. However, we were led to believe after June 25 that all this was to be changed and that the millenium had arrived, the golden age. While debating certain proposals in the Procedure Committee we were told that in the new committee system hon. members supporting the government, hon. members of Her Majesty's Loyal Opposition and hon. members of all other parties could park their partisanship outside the committee room and, in the "clubby" spirit of the new committees, work with one another for the benefit of the people of Canada. If the contents of the letter I have referred to are correct, and I hope the Prime Minister will take the opportunity to contradict what the letter says, the government has destroyed the edifice of the committee system on which our new rules are predicated. Despite what some of the more experienced members of my party said, I was naïve enough to believe that partisanship would have no place in our committee structure. It appears I was mistaken.

Alleged Issue of Document on New Rules

It might be well to put on record again comments made by the Prime Minister a few short years ago. They appeared in a magazine, and were quoted at page 2801 of *Hansard* for November 15, 1968. In particular the Prime Minister, as reported on that page of *Hansard*, wrote these words as they are set out in the article in question:

I am only concerned with the anti-democratic reflexes of spineless Liberal herd.

We thought that those words applied to a situation of the past. I urge the right hon. gentleman to rise and say publicly that hon. members of his party have every freedom to go into a committee room under the committee system which now prevails and vote as they see fit; and that in the discussion of those questions which are important and of benefit to the people of Canada they have full freedom of expression which members of parliament must have to discharge their responsibilities.

Mr. Speaker: Order, please. I doubt that it is the intention of hon. members to have protracted discussion on the point of privilege raised by the hon. member for Peace River. The Chair has to decide whether there is a prima facie case of privilege. I think that the Chair can immediately, without further debate, make a ruling on that point. I am sure if one hon. member is allowed to participate further in the debate it may go on for a while. Wednesday is a short day, and perhaps we ought to go on to the business on today's order paper.

I suggest that if any group of hon. members or any one hon. member is concerned about the question of privilege, it would be hon. members of the government or the hon. member for York East (Mr. Otto). The matter has not been raised as a question of privilege by the hon. member for York East, and I doubt very much if, in the circumstances, the hon. member for Peace River has raised a legitimate question of privilege. In any event, the question has not been followed by a motion. There being no motion before the house I suggest that the Chair has no alternative except to declare that there shall be no discussion.

Mr. Diefenbaker: The Prime Minister is saved.

FINANCE, TRADE AND ECONOMIC AFFAIRS

Ninth report of Standing Committee on Finance, Trade and Economic Affairs.—Mr. Gillespie.

[*Editor's Note: Text of report above referred to appears in today's Votes and Proceedings.*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

SANDFORD, N.S.,—CONTRACTS TO L. W. SHAW

Question No. 914—**Mr. Comeau:**

How many contracts have been awarded to Leonard W. Shaw, of Sandford, N.S. since 1963 and what was the value of each?

Hon. Arthur Laing (Minister of Public Works): Since 1963, the following contracts were awarded as a result of public tender calls on which he was the lowest bidder:

		$
1964		
Comeau's Hill	Wharf repairs	5,287.00
Short Beach	Deck repairs	6,476.40
Lr. Surettes Island	Wharf extension	2,969.50
1965		
Yarmouth	Paving	4,987.10
Bear Point	Deck repairs	6,476.40
Spectacle Island	Breakwater construction	9,919.00
1966		
Short Beach	Breakwater repairs	8,939.60
Deep Cove	Breakwater	12,006.25
1967		
Sandford	Groyne reconstruction	9,277.60
Seal Island	Skidway repair	8,667.00
Swim's Point	Repair floating breakwater	2,654.80
Pinkney's Point	Wharf widening	50,112.96
Port Maitland	Breakwater repairs	15,071.50

1968		$
Short Beach	Breakwater repairs	44,213.38
Chegoggin Dyke	Breakwater repairs	34,503.10
Goose Bay	Wharf repairs	6,771.50
Dennis Point	Wharf repairs	8,923.09
L. E. Pubnico	Wharf improvements	8,737.50

The following contracts were awarded as a result of invited tenders to not less than three (3) firms on which he was the lowest bidder:

1964		$
New Edinburgh	Wharf repairs	519.00
Church Point	Wharf repairs	2,140.32
Sandford Bridge	Reconstruction	1,250.00
Turpentine Island	Wharf repairs	2,308.00
Porter's Cove	Wharf repairs	1,299.00
L. E. Pubnico	Wharf repairs	3,679.75
Lr. Plymouth	Wharf repairs	432.00
1965		
Bluff Head	Dredging	274.00
Salmon River	Breakwater repairs	1,625.00
Port Maitland	Breakwater repairs	4,966.05
Lr. Wedgeport	Float	2,930.00
Yarmouth	Float	6,239.00
1966		
Newellton	Wave dampener	3,475.80
Yarmouth	Tide gauge	2,659.75
Port Maitland	Paving	3,275.35
Dennis Point	Deck repairs	3,298.00
Goose Bay	Fender repairs	565.80
Pinkney's Point	Barricade	98.00
Lr. Plymouth	Deck repairs	1,125.00
1967		
Pinkney's Point	Barricade	98.00
Meteghan	Fender repairs	2,430.00
Newellton	Fender improvements	875.00
Wedgepoint	Barricade & remove debris	178.00
Carleton Village	Dredging	960.00
L. E. Pubnico	Wharf repairs	1,838.00
Saulnierville	Deck repairs	425.00
Amirault's Hill	Wharf repairs	388.50
1968		
Porter's Cove	Barricade	106.00
Dennis Point	Breakwater repairs	4,265.00
Ledge Harbour	Breakwater repairs	5,725.00
Chegoggin Point	Breakwater repairs	367.70
L. E. Pubnico	Barricade	124.00
Wedgepoint	Wharf repairs	3,200.00
Short Beach	Dredging	2,160.00
Middle E. Pubnico	Wharf repairs	3,222.00
Stoney Island	Approach widening	616.00
Newellton	Fender improvements	894.00
South Side	Fender repairs	496.00
Falls Point	Derrick improvements	150.00
Swim's Point	Road repairs	1,455.00

Questions

The following contracts were awarded as a result of requests for quotations for minor or emergency work:

1965		$
Amirault's Hill	Wharf repairs	40.00
Cape St. Mary's	Float	900.00
Lr. Wedgeport	Wharf repairs	120.00
Amirault's Hill	Wharf repairs	100.00
Chegoggin Point	Deck repairs	75.00
Yarmouth	Wharf repairs	125.00
Sluice Point	Derrick	150.00
Cape St. Mary's	Wharf repairs	275.00
Yarmouth	Remove float	100.00
Pembroke	Dredging	150.00
1966		
Little River Harbour	Wharf repairs	500.00
Salmon River	Wharf repairs	50.00
Cheboque Town Pt.	Repairs to guard	100.00
Cheboque Town Pt.	Wharf repairs	50.00
Bear Point	Ladder	60.00
Yarmouth	Wharf repairs	180.00
Dennis Point	Ladder	90.00
Short Beach	Breakwater repairs	1,200.00
Wedgeport	Dredging	750.00
Cheboque Town Pt.	Light	250.00
Yarmouth	Wharf repairs	426.00
Yarmouth	Wharf repairs	190.00
Sandford	Bridge repairs	75.00
Sandford	Breakwater repairs	200.00
Yarmouth	Float	100.00
Cheboque Town Pt.	Approach repairs	75.00
Cape St. Mary's	Float	455.00
Port Maitland	Derrick	1,020.00
1967		
Yarmouth	Wharf repairs	60.00
Sandford	Remove sand	75.00
Short Beach	Ladder	150.00
Chegoggin Dyke	Dredging	425.00
Short Beach	Deck repairs	390.00
Sandford	Ladder	100.00
Sandford	Paving	472.50
Middle E. Pubnico	Ladder	300.00
1968		
Cape St. Mary's	Wharf repairs	99.00
Kelly's Cove	Removal of debris	275.00
Sluice Point	Wharf repairs	75.00
Morris Island	Approach repairs	65.00
Abbott's Harbour	Wharf repairs	50.00
Sandford	Dredging	450.00
Lr. Wedgeport	Resetting float	90.00
Lr. Wedgeport	Derrick repairs	170.00
Port Maitland	Tide gate repairs	40.00
Towing Yarmouth-Digby	Float	300.00
Yarmouth	Derrick repairs	85.00
Short Beach	Breakwater repairs	100.00
Sandford	Clear deck	50.00
Kelly Cove	Clear deck	200.00
Yarmouth	Derrick repairs	475.00

[Mr. Laing (Vancouver South).]

PRIME MINISTERS CONFERENCE, JANUARY, 1969

Question No. 1,075—**Mr. Mazankowski:**

1. Who will be attending the Commonwealth Prime Ministers' Conference in London, England in January 1969, besides the Prime Minister?

2. What are their individual functions in the government at present?

3. What will be their individual functions at the Conference?

4. What accommodation has been reserved for the Canadian delegation, at what hotel, by suite and room type?

5. What is the expected cost of this accommodation per day?

6. Other than dormitory accommodation, has the government reserved any other rooms in this hotel, such as reception rooms?

7. What is the total budget allocated to this trip?

8. What was the total cost of the last Canadian delegation to the Commonwealth Prime Minister's Conference?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. (a) Mr. R. G. Robertson; (b) Mr. M. Cadieux; (c) Mr. R. E. Collins; (d) Mr. D. M. Cornett; (e) Mr. G. G. Riddell; (f) Mr. Roméo LeBlanc; (g) Mr. Gordon Gibson; (h) Mr. Ivan Head; (i) Mr. A. Donnelly; (j) Mr. Vic Chapman; (k) Miss C. Viau; (l) Miss A. L. Walls; (m) Miss T. Brazeau; (n) Inspector Buchanan; (o) Mr. Raymond Robichaud; (p) Mr. James Walker; (q) Mrs. Sheila Sojonky.

2. (a) Clerk of the Privy Council and secretary to the Cabinet; (b) Under-Secretary of State for External Affairs; (c) Assistant Under-Secretary of State for External Affairs; (d) Head of Commonwealth Division, Dept. of External Affairs; (e) Head of African and Middle Eastern Division, Dept. of External Affairs; (f) Prime Minister's Press Secretary; (g) Executive Assistant to the Prime Minister; (h) Legislative Assistant to the Prime Minister; (i) Assistant Press Secretary to the Prime Minister; (j) Press Assistant to the Prime Minister; (k) Private Secretary to the Prime Minister; (l) Executive Assistant to the Clerk of the Privy Council; (m) Secretary to the Prime Minister's Press Secretary; (n) Royal Canadian Mounted Police Officer; (o) Interpreter; (p) Parliamentary Secretary to the Prime Minister; (q) Secretary to the Prime Minister's Executive Assistant.

3. Messrs. Robertson, Cadieux, Collins, Cornett, Riddell, Head and Walker will assist the Prime Minister on substantive matters within their areas of competence; the functions of the other persons are as indicated by their designations.

4. Accommodation for the use of the delegation was reserved at Claridge's Hotel, London. The accommodation consisted of a suite for the Prime Minister, a bedroom and salon for Messrs. Robertson, Cadieux, Gibson and LeBlanc, a bedroom for each of the other persons on the delegation, office space, a press briefing room, and a delegates' lounge.

5. The actual daily cost of this accommodation, including service charges and Selective Employment Tax, was: Delegates' accommodation, £254.5.6; Office space, £53.9.6; Press room, £49.9.0; Delegates' Lounge, £31.12.6.

6. See the answer to Part 4.

7. Expenses for international conferences of this kind are defrayed from the Department of External Affairs vote for International Conferences (see page 120 of Revised Main Estimates, 1968-69). The total figure for this item in the estimates is based on the number of conferences anticipated in any one fiscal year, and taking into account expenses of previous meetings, rather than by allocating a specific budget figure to each individual conference. A review of Appendix 7 of the Department's Annual Report for 1967 shows that Canada was officially represented at more that 200 conferences in that year.

8. $15,283.

DEATHS FROM ALCOHOLISM, DRUGS AND SUICIDE

Question No. 1,198—**Mr. Caouette:**

For each year since 1965, in each province, what were the number of deaths per thousand persons attributable to (a) alcoholism (b) drug addiction (c) suicide?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports as follows:

Attached is a table showing the number of deaths and the crude death rates per 100,000 population for Canada and each province due to or associated with alcoholism and suicide. No information is available on deaths attributable to "drug addiction".

Deaths Due to Alcoholism and Suicide, Canada and Provinces, 1965–1967

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T..
1965													
Alcoholism	196	—	3	8	9	42	74	13	2	13	30	—	2
Alcoholic psychosis	28	—	—	—	—	3	8	—	1	3	13	—	—
Cirrhosis of liver—with alcoholism	378	—	1	1	3	107	160	19	5	21	61	—	—
Total	602	—	4	9	12	152	242	32	8	37	104	—	2
Rate*	3.1	—	3.7	1.2	2.0	2.7	3.6	3.3	0.8	2.6	5.8	—	7.4
1966													
Alcoholism	225	—	3	7	7	44	95	9	7	20	31	1	1
Alcoholic psychosis	19	—	—	—	2	6	5	—	—	2	4	—	—
Cirrhosis of liver—with alcoholism	378	—	—	5	3	123	160	14	3	23	47	—	—
Total	622	—	3	12	12	173	260	23	10	45	82	1	1
Rate*	3.1	—	2.8	1.6	1.9	3.0	3.7	2.4	1.0	3.1	4.4	6.9	3.5
1967													
Alcoholism	256	1	4	16	7	47	103	12	5	23	37	1	—
Alcoholic psychosis	29	—	—	2	—	7	6	1	1	3	8	—	1
Cirrhosis of liver—with alcoholism	422	3	—	4	5	123	174	22	13	22	54	1	1
Total	707	4	4	22	12	177	283	35	19	48	99	2	2
Rate*	3.5	0.8	3.7	2.9	1.9	3.0	4.0	3.6	2.0	3.2	5.1	13.3	6.9
Suicide													
1965													
No.	1,715	23	6	65	35	323	635	101	97	160	267	2	1
Rate*	8.7	4.7	5.5	8.6	5.7	5.7	9.4	10.5	10.2	11.0	14.9	14.3	3.7
1966													
No.	1,715	15	8	69	25	365	661	102	77	146	240	4	3
Rate*	8.6	3.0	7.4	9.1	4.1	6.3	9.5	10.6	8.1	10.0	12.8	27.8	10.4
1967													
No.	1,841	10	10	57	30	396	755	101	82	137	259	2	2
Rate*	9.0	2.0	9.2	7.5	4.8	6.7	10.6	10.5	8.6	9.2	13.3	13.3	6.9

*Per 100,000 population.

[*English*]

SASKATOON-BIGGAR INDIAN HOUSING

Question No. 1,210—**Mr. Gleave:**

1. (a) How many new houses were built in each Indian Reserve within the federal constituency of Saskatoon-Biggar during 1967 and 1968 (b) at what cost to the federal government?

2. (a) How many are expected to be built in 1969 (b) at what expected cost to the federal government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): There are two Indian reserves within the federal constituency of Saskatoon-Biggar namely, the One Arrow and the Beardy (also includes Okemasis).

1. (a)

	One Arrow	Beardy (Okemasis)
1967	7	8
1968	5	9
(b)		
1967	49,000	59,350
1968	35,209	64,773
2. (a)		
1969	3	7
(b)		
1969	21,000	49,000

*SUPERANNUATION FUND INTEREST RATE

Question No. 1,224—**Mr. McCleave:**

1. What interest rate does the government pay for the use of monies in the superannuation fund of federal employees?

2. What has been the range of the interest rate the government is paying for borrowings of money from other sources during the past six months?

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): (a) Mr. Speaker, pursuant to Section 32(1) of the Public Service Superannuation Act, interest is credited to the superannuation accounts on the last day of each quarter in the fiscal year calculated at the rate of 1 per cent of the balance to the credit of the account on the last day of the preceding quarter, (b) In lieu of crediting interest at a higher rate than that described in paragraph (a), the government makes special credits to the superannuation account, pursuant to Section 32(2) and (3). It is estimated that during the fiscal year 1968-69, these special credits will be equivalent to interest at a rate of 3½ per cent to 4 per cent per annum in addition to the rate mentioned in paragraph (a). This is in response to the first part of the question.

In response to the second part of the question, the average yields at the weekly tender of treasury bills over the past six months ranges from a low of 5.43 per cent on August 28, 1968 to a high of 6.65 per cent on January 9, 1969.

The amount, coupon rate, and yield at time of issue of the government's borrowings in the bond market over the past six months are set forth in a table and I would ask the consent of the house that this table be printed in *Hansard.*

Mr. Speaker: Does the hon. member have leave?

Some hon. Members: Agreed.

[*Editor's Note: The table above referred to is as follows.*]

Date of Issue	Amount of (M of $)	Coupon Rate (%)	Maturity	Yield at time of issue (%)
August 1	35	6½	15/12/69	6.65
August 1	105	6¾	1/10/70	6.75
August 1	260	7	1/4/73	7.00
October 1	35	6	15/2/70	6.11
October 1	200	6¼	1/10/71	6.25
October 1	200	6½	1/4/70	6.60
October 1	100	6½	1/10/95	6.60
December 15	50	6¼	1/5/70	6.28
December 15	100	6¼	1/4/71	6.36

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Questions

RAILWAY CROSSING ACCIDENTS

Question No. 1,227—**Mr. Lewis:**

1. What are the figures on accidents at railway crossings for each of the years 1960 to 1968?

2. What research is presently being conducted into safety-warning devices?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows:

1.

Year	Accidents	Killed	Injured
1960	473	172	628
1961	444	145	542
1962	428	154	542
1963	476	160	618
1964	433	154	570
1965	452	150	540
1966	478	186	621
1967	447	177	521
1968	428	120	568

2. The Canadian Transport Commission has under continuing study and investigation the improvement of existing warning devices and the development of any new devices which come to its attention. Members of the Engineering staff of the Commission are active members of the Canadian Standards Association, the Association of American Railways and the American Railway Engineering Association who continually engage in research and investigation of methods of improving railway and crossing safety. At the present time study and experiment is being conducted, in collaboration with the National Research Council, on a type of revolving light for use on locomotives designed to give additional warning to motorists of trains approaching crossings.

AIRPORT CEILING AND VISIBILITY

Question No. 1,231—**Mr. McGrath:**

1. What were the number of hours when the ceiling was less than 200 feet and/or visibility less than a ½ mile for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

2. What were the number of hours when the ceiling was less than 200 feet to 400 feet and/or visibility ½ to ¾ of a mile for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

3. What were the number of hours when the ceiling was less than 500 to 900 feet and/or visibility 1 to 2½ miles, for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

[Mr. Speaker.]

Hon. Paul Hellyer (Minister of Transport): 1. St. John's, Nfld. 608; Gander, Nfld. 254; Stephenville, Nfld. 220; Moncton, N.B. 202; Sydney, N.S. 323; Halifax International 787; Montreal International 51; Toronto International 135.

2. If it is meant when the ceiling was 200 feet to 400 feet and/or visibility ½ to ¾ mile the answer is St. John's, Nfld. 1275; Gander, Nfld. 675; Stephenville, Nfld. 374; Moncton, N.B. 620; Sydney, N.S. 1059; Halifax International 1098; Montreal International 174; Toronto International 204.

3. If it is meant when the ceiling was 500 to 900 feet and/or visibility 1 to 2½ miles the answer is St. John's, Nfld. 1712; Gander, Nfld. 1430; Stephenville, Nfld. 848; Moncton, N.B. 1114; Sydney, N.S. 1365; Halifax International 1570; Montreal International 807; Toronto International 809.

MONTREAL HARBOUR OPERATIONS

Question No. 1,245—**Mr. Fortin:**

1. Is the government taking steps to ensure that Montreal Harbour operates all year round and, if so, what steps and, if not, for what reason is action not being taken?

2. Does the government intend to increase the use of containers in Montreal Harbour and, if not, for what reason?

3. Does the government intend to impose a toll on the St. Lawrence River and, if so, for what reason?

Hon. Paul Hellyer (Minister of Transport): 1. It is not possible for the government to ensure that Montreal Harbour operates all year round because the river can be blocked by ice jams which are the result of weather and other natural causes and which cannot be entirely prevented with the technology now available.

To the extent that it is possible, it has long been the practice to maintain an open channel for the evacuation of ice in order to reduce the incidence of floods and measures and devices for this purpose are constantly being studied and improved. Ships wishing to go to Montreal may use this channel when it is open and are assisted to the extent that government resources will allow.

2. Facilities for the handling of container traffic are available at Montreal Harbour. An

increase in the use of containers is a matter for decision by shipping companies.

3. There are no plans at present for the imposition of tolls on shipping in the St. Lawrence River.

LAC MÉGANTIC, P.Q. RAILWAY CROSSING ACCIDENTS

Question No. 1,252—**Mr. Latulippe:**

1. How many accidents have occurred at (a) the Victoria Street railway crossing in Lac Mégantic, P.Q., during the last twenty years (b) at other railway crossings in Lac Mégantic?

2. How many persons were killed or injured in such accidents?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission reports as follows: 1 (a) Two accidents involving personal injury; (b) Sixteen accidents involving personal injury.

2. These accidents resulted in fatal injuries to two persons and injuries to 33 persons.

AIR CANADA OPERATIONS

Question No. 1,263—**Mr. Beaudoin:**

1. How many persons work for Air Canada?

2. How many aircraft does Air Canada have and what number, by type?

3. How many airports are there in Canada and what is the location of each?

4. How many individuals have a pilot's license?

5. What was the number, the area, the cause and the type of Air Canada aircraft involved in accidents between 1965 and 1968 inclusive?

Hon. Paul Hellyer (Minister of Transport): Regarding parts 1 and 2 only, the Management of Air Canada advises as follows: 1. 16,613.

2. 120, consisting of the following types: Viscount 39; Vanguard, 23; DC-9, 31; DC-8, 27.

3. Information provided in "Canadian Aerodrome Directory" available in Library of Parliament.

4. 31,517 as of December 31, 1968.

5. 1965 One, Toronto International Airport, April 24, 1965—Aircraft landed on runway with one wheel up due to missing clevis pin in undercarriage uplock system—No injuries —Vickers Viscount 757—CF-THL. 1966 One, Edmonton International Airport, December 17, 1966—No. 3 engine compressor and reduction gear section disintegrated shortly after take-off due to fatigue failure of the first stage impeller of the engine—No injuries—Vickers Viscount 724—CF-TGT. 1967 One, Ottawa International Airport, May 20, 1967—Failure to abandon a training manoeuvre under conditions which precluded the availability of adequate flight control—Three members of crew killed—Douglas DC8F-54—CF-TJM. 1968 Nil.

ST. FRANÇOIS RIVER DAM

Question No. 1,265—**Mr. Beaudoin:**

1. Has the federal government purchased the dam located on the St. François River facing the Kruger Pulp Limited plant at Bromptonville?

2. If so (a) at what cost (b) has the government decided to renovate this dam (c) when will work begin and what amount of money has been allotted for this work (d) what is the expected completion date of the work?

3. If the government has decided to reconstruct the dam, are the plans for the erection of a new dam completed and, if so, are such plans available?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by several departments as follows: 1. No.

2 and 3. Not applicable.

*VISITORS SERVICE CENTRE, LAKE LOUISE

Question No. 1,271—**Mr. Woolliams:**

1. How many parcels of land have been leased by the Crown to individuals or corporations for motel development or other development in the Visitors Service Centre at Lake Louise?

2. (a) How many acres or lots are contained in each parcel (b) if there were lots, what are the measurements of the lots?

3. To whom did the Crown lease the parcels in question?

4. (a) What consideration was paid to the Crown by the lessees for each of the leases (b) what rental is prescribed to be paid?

5. Is the government prepared to table copies of any agreements in reference to the said land leases or sales?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Indian Affairs and Northern Development reports as follows: 1. One.

2. (a) Four acres and fifty-four hundredths of an acre, more or less; (b) Not applicable.

Questions

3. Montaineer Motel Company Limited.

4. (a) Nil; (b) A fixed annual rent and concession fees based on a percentage of gross receipts of the lessee.

5. No. Lease agreements constitute a confidential landlord-tenant relationship. The government does not table such documents, which would represent a breach of this confidence, without the express written consent of the lessee.

NATIONAL PARKS ENTRANCE FEES

Question No. 1,275—**Mr. McIntosh:**

1. What are the names of the National Parks in each province?

2. What is the entrance fee to each National Park?

3 What was the total amount of entrance fee collected at each park according to the last figures available?

4. Did the Minister authorize Mr. J. I. Nicol, Director of National Parks to state, at a recent news conference, that it was government policy to increase entrance fees for National Parks?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. British Columbia: Mount Revelstoke; Glacier; Yoho; Kootenay. Alberta: Banff; Jasper; Elk Island; Waterton Lakes; Wood Buffalo (partly in Northwest Territories). Saskatchewan: Prince Albert. Manitoba: Riding Mountain. Ontario: Point Pelee; Georgian Bay Islands; St. Lawrence Islands. New Brunswick: Fundy. Nova Scotia: Cape Breton Highlands; Kejimkujik. Prince Edward Island: Prince Edward Island. Newfoundland: Terra Nova.

2. The park motor licence fee for passenger cars is $2 for entering Mount Revelstoke, Glacier, Yoho, Kootenay, Banff, Jasper and Waterton Lakes. This licence will allow entry to any National Park which requires a licence and is good for any number of trips during a fiscal year. The licence fee after November 1 in any year is $1.

The park motor licence fee for passenger cars is $1 for entering Elk Island, Prince Albert, Riding Mountain, Point Pelee and St. Lawrence Islands. This licence will allow entry to any of the above parks only and is good for any number of trips during a fiscal year. A 25 cent single trip licence is also available for parks in this category.

A park motor licence is not required for Wood Buffalo or Georgian Bay Islands National Parks nor is one required for parks in the Atlantic Provinces.

Note: In addition to the passenger car fees there are fees for various other vehicles and trailers such as buses and different sizes and types of trucks. These are listed in the Schedule of the National Parks Highway Traffic Regulations but are too numerous to list in the answer.

3. For the fiscal year ending March 31, 1968 the totals were: Mount Revelstoke-Glacier, $306,244; Yoho, $9,133; Kootenay, $77,582; Banff, $622,183; Jasper, $105,877; Waterton Lakes, $82,190; Elk Island, $20,829; Prince Albert, $15,004; Riding Mountain, $47,019; Point Pelee, $39,559; St. Lawrence Islands, $5,568.

4. I have examined the press accounts following the news conference and noted that in answer to a question from the press Mr. Nicol indicated accurately that park entrance fees and other fees were currently under review. When the review is completed and recommendations made the decision as to whether there shall be an increase and if so, its extent, will be made and announced by me.

GOVERNMENT AIRCRAFT BLIND LANDING EQUIPMENT

Question No. 1,296—**Mr. Robinson:**

1. Does the Department of Transport intend to install blind landing equipment in government aircraft?

2. Is the government considering the possibility of requiring commercial airlines operating in Canada to install blind landing equipment?

3. Does the government have automatic landing equipment installed in any of its aircraft and, if not, will it consider the advisability of installing such equipment in government aircraft and will it also require that this kind of equipment be installed in commercial aircraft?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Transport as follows: 1. No, there are no plans for such an installation.

2. No.

3. The government does not have automatic landing equipment in any of its aircraft and no consideration is being given at this time to the advisability of installing such equipment. The provision of automatic landing equipment in commercial aircraft is not expected to be made mandatory.

*SEWAGE DISPOSAL, BANFF

Question No. 1,342—**Mr. Woolliams:**

1. Are enterprises in Banff, Alberta, departmental and otherwise, pouring raw sewage into the streams and Bow River?

2. Has the CPR constructed a sewage disposal plant in their hotels at Banff and Lake Louise, and is raw sewage being poured into the rivers and streams in the Park by these hotels?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Indian Affairs and Northern Development reports as follows: 1. Sewage from the Banff townsite sewer system is presently discharged untreated into the Bow River. The department plans a sewage treatment plant for the town of Banff in the near future.

2. The C.P.R. has constructed a sewage disposal plant at Chateau Lake Louise. Sewage from the Banff Springs Hotel enters the Banff townsite sewage system and is discharged untreated.

INFILTRATION OF LAOS BY NORTH VIETNAMESE

Question No. 1,363—**Mr. Muir (Cape Breton-The Sydneys):**

Has the International Control Commission, on which Canada is represented, been requested at any time in the past six months to investigate allegations of North Vietnamese massive infiltration into Laotian Territory and, if so, with what results?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Within the last six months, the Royal Laotian Government has, on three occasions, complained to the International Control Commission about the illegal presence and activities of North Vietnamese forces in Laos as evidenced by attacks on the government post at Thateng in the southern panhandle adjoining South Vietnam (Royal Laotian Government notes dated November 29, 1968, December 14, 1968 and January 9, 1969). Despite the efforts of the Canadian Delegation to have formal investigations made of these complaints, only the first two were subjected to first-hand inquiry by Commission representatives but only in a preliminary way during an "observation visit" on January 2-3 of this year. As regards the third complaint, our Commission partners—India and Poland—voted against a Canadian proposal for an investigation and no further action on the complaint has been taken.

Final judgments have not yet been rendered by the Commission on the factual conclusions which can be drawn from the evidence available on these incidents. The Canadian Delegation has been attempting to obtain agreement on a Commission report not only of its visit to Thateng but of visits to other towns in the same area which the Commission made in February and April 1968 in response to similar complaints by the Royal Laotian Government.

Direct evidence regarding the exact extent of North Vietnamese infiltration into Laos is difficult for the Commission to establish because it is not permitted entry into the communist-controlled areas of Laos. Nevertheless, evidence of North Vietnamese military activity in Laos—in contravention of the terms of the 1962 Geneva settlement relating to that country—has been clearly established by the Commission in areas controlled by the Royal Laotian Government and has been made public and reported to the House on earlier occasions.

METEGHAN RIVER, N.S., CUSTOMS OFFICE

Question No. 1,367—**Mr. Comeau:**

Is the government considering closing the Customs and Excise office at Meteghan River, Nova Scotia and, if so, on what date?

Hon. Jean-Pierre Côté (Minister of National Revenue): The Customs operations at the Outport of Meteghan River are currently being reviewed to determine whether services provided are consistent with existing needs and are fully justified in relation to administrative and operational costs. The review has not been concluded and I am therefore not in a position at this time to say whether or not the Customs office will be maintained at that location.

SECURITY SERVICE FOR FOREIGN EMBASSIES

Question No. 1,389—**Mr. Robinson:**

Does the federal government provide police and/or security service for Embassies and Consulates of foreign countries and, if so, what was the cost of the service provided during each of the years 1960-68 inclusive?

Hon. Mitchell Sharp (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, yes. The cost for each of the years 1960-68 was: 1960-1966 inclusive, Nil; 1967, $40,736.48; 1968, $31,059.50.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

COMMUNITY ANTENNA TELEVISION

Question No. 730—**Mr. Robinson:**

1. What are the overall requirements to obtain a franchise or license in the field of CATV (community antenna television)?

2. (a) How many companies and/or individuals have been licensed (b) what are the names and addresses of the companies and/or individuals (c) who are the directors of the companies that are licensed in CATV?

3. Does the federal administration have control over the rates charged for the service?

4. Does the federal administration allow monopolies to exist in this field?

5. What revenue is received by government from franchises or licenses in CATV?

6. How many companies and/or individuals have received a franchise or license to operate in Metro Toronto, and (a) what areas have been allotted to each (b) is there competition in and for the allotted areas of franchise (c) what amount is paid for the franchise in each case?

Return tabled.

UNEMPLOYMENT INSURANCE, RICHMOND

Question No. 1,071—**Mr. Beaudoin:**

1. How many offices does the Unemployment Insurance Commission have in the federal Constituency of Richmond?

2. How many claims for unemployment insurance benefits have been made annually in each of these offices each year since January 1, 1965, by residents of the federal Constituency of Richmond?

3. How many claims have been accepted annually in each of these offices since January 1, 1965?

4. How many residents of the federal Constituency of Richmond have registered with the employment service annually since January 1, 1965?

5. Of those registered, how many have found employment annually since January 1, 1965?

Return tabled.

WOOD BUFFALO PARK DEVELOPMENT—HOUSING FOR INDIANS

Question No. 1,085—**Mr. Yewchuk:**

1. What are the plans for development (a) in general (b) road construction (c) development of tourist facilities (d) development of tourist promotion (e) industrial development, for Wood Buffalo Park, for the next five years?

2. (a) What is the total number of new houses built on each reserve within the Athabasca constituency for 1964, 1965, 1966, 1967 and 1968 (b) what are the plans for construction on each reserve for 1969?

[Mr. Sharp.]

3. (a) How many off-reserve houses were built for Indian families within the Athabasca constituency in 1967 and 1968 (b) how many will be built in 1969?

Return tabled.

Mr. Speaker: Shall the remaining questions stand?

Mr. David Lewis (York South): Mr. Speaker, on December 10 I filed question No. 1,008 relating to the establishment by the Prime Minister (Mr. Trudeau) of regional desks, the appointment of personnel, and volunteer advisers. It is now well over two months since the question was put on the order paper. The information must surely be easily available to the staff of the Prime Minister's office or of the Privy Council office, particularly in view of the Prime Minister's increased staff, and I am wondering why I could not have an answer by now.

Right Hon. P. E. Trudeau (Prime Minister): If I may give a word of explanation, Mr. Speaker, the question has not been answered because the regional desk system is not completed yet. We are reorganizing it; we are even adding to it, and I think it might be better if I could answer the hon. member once and for all when the thing is established, rather than answer him now and have him put supplementary questions later. I can assure the hon. member that it will not be very many more weeks until the system is completed and fully in operation.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, would you kindly call notices of motions Nos. 65, 68 and 69?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

HAPPY VALLEY, LABRADOR, CHIP MILL

Motion No. 65—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Government of Canada particularly

as represented by the Department of Public Works, the Atlantic Development Board and the Area Development Agency, and the Government of the Province of Newfoundland with respect to the development of a chip mill at Happy Valley, Labrador, a liner board mill at Stephenville, Newfoundland, and supporting facilities in these two areas.

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): Mr. Speaker, the information requested by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) is of a confidential nature given to the government of Canada in the course of government investigation for particular purposes, disclosure of which could be detrimental to the competitive position of the firms.

I have spoken to the hon. member and explained this matter to him, I understand that he will consent to the removal of this notice of motion from the order paper.

Mr. Marshall: I agree, Mr. Speaker.

Order discharged and motion withdrawn.

[*Translation*]

BUILDING OF WHARVES AND POST OFFICES IN THE CONSTITUENCY OF COMPTON

Motion No. 68—**Mr. Latulippe:**

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, particularly as represented by the Department of Public Works, the Atlantic Development Board and the Regional Development Corporation, and the Government of the Province of Quebec on the subject of the wharves and post offices which are supposed to be built in the federal constituency of Compton.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, I have been informed that no correspondence has been exchanged on the subject mentioned by the hon. member for Compton in his notice of motion and I wonder, in the circumstances, whether he would accept to withdraw his motion.

Mr. Latulippe: I agree.

Mr. Speaker: Is the motion withdrawn?

Motion withdrawn.

[*English*]

Mr. Speaker: Shall the remaining notices of motion stand?

Some hon. Members: Agreed.

Inquiries of the Ministry

ORAL QUESTION PERIOD

AIR CANADA

ISSUING OF COMMON SHARES—POSSIBILITY OF MERGER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Finance. It arises from the statement made yesterday by the Chairman of Air Canada to the effect that Air Canada will need some $300 million more than it can generate from its own revenues to cover the obligations it envisages in the next five years. Will the minister say whether the government is now considering any request from this Crown corporation to issue common shares to the public?

Hon. E. J. Benson (Minister of Finance): Not at this point, Mr. Speaker.

Mr. Stanfield: As a supplementary question, Mr. Speaker, in view of the importance of this service to the Canadian public and the importance of this corporation being able to make its plans well in advance, can the minister indicate the present status of the study regarding possible mergers with this corporation, and will he indicate when a decision will be forthcoming on this matter, as well as on the question as to how the corporation is to meet its various needs?

Mr. Benson: I am not aware of any such studies as my hon. friend mentioned. Perhaps I could refer that part of the question to the Minister of Transport.

The matter of financing Air Canada in the future, with regard to borrowing, has not been decided at this point. Discussions however, are going on between the government and the president of Air Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question which perhaps I should direct to the Minister of Transport or to the Minister without Portfolio. May we be assured that before any of these loans are negotiated the government will make a statement to parliament concerning its intentions about Air Canada, its corporate structure and any negotiations it might be entering into with Canadian Pacific Air Lines.

Hon. Paul Hellyer (Minister of Transport): I would be hesitant to give that assurance

because I do not think the two things are necessarily related. One is strictly a financial mechanism which really comes under the jurisdiction of my colleague the Minister of Finance. It might easily be that he would say that was the best method of financing at some stage. I have already given the assurance that every opportunity for debate will be given before any decision is made public in respect of the latter part of the question.

Mr. Knowles (Winnipeg North Centre): Meantime are we to be led along the garden path?

Mr. Stanfield: Mr. Speaker, may I ask the Minister of Finance whether, in view of the length of time involved in making adequate plans to provide an adequate air service in the future, he would press for a clarification concerning the future of Air Canada, so that the country will be assured of a reasonable air service.

Mr. Benson: I believe adequate future planning is being carried out by Air Canada. The matter of financing future aircraft acquisitions, and so on, in respect of Air Canada is a matter for discussion between the officials of Air Canada and the Department of Finance. The best method of financing and the acquisition of aircraft will be determined after looking at the pros and cons of various alternatives.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, could the Prime Minister give the house an assurance that Air Canada, that great national utility, if I might call it such, will not be sacrificed in order to confirm or conform with the expressed wishes of the Minister without Portfolio from Manitoba who during the election campaign, stated that Canada should dispose of it?

Mr. Speaker: The hon. member for York South.

Mr. Diefenbaker: Mr. Speaker, I have asked a question. I cannot understand why the Prime Minister, who is usually very fast in trying to answer questions, would not take advantage of the opportunity to assure the people of Canada that this is not going to be sacrificed.

Mr. Speaker: The hon. member for York South.

[Mr. Hellyer.]

CONSUMER AFFAIRS

MONOPOLISTIC CONTROL OF SERVICE STATIONS

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a question of the Minister of Consumer and Corporate Affairs arising out of the report of a three year study in Alberta complaining about the monopolistic control of service stations by large oil companies. Has the report been drawn to the attention of the minister, and will he consult with the provincial attorneys-general in respect of appropriate action under the Combines Investigation Act or the Corporations Act dealing with this field.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): At the present time all I have is reports about the report. We have sent a wire to Alberta asking for a copy of the report, and when it is received it will receive our very close attention and study.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of National Defence.

Is it true that his department has refused to cede to the Department of Transport the land that it owns in Farnham, for the construction of the future international airport in that locality?

Mr. Speaker: Order. I do not think that the question as put is in order. The hon. member is asking the minister to confirm or deny a news item and, for that reason, the question cannot be allowed.

[*English*]

OLD AGE SECURITY

REQUEST FOR PENSION INCREASE TO EQUAL COST OF LIVING INCREASE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address this question to the Minister of National Health and Welfare. As the cost of living has increased by 8½ per cent during the two years since old age pensions were tied to the cost of living, and since pensions have been raised by only 4 per cent during the same period is the government reconsidering the adequacy of the correction formula with a view to making sure that the old age pension increases at

exactly the same rate as the increase in the cost of living.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the hon. member is aware of the many improvements and progressive changes we have made to the old age pension scheme in the last few years. He is also aware that at the present time we have under review this particular scheme and all other programs in the old age security field.

Mr. Hees: Mr. Speaker, as the minister's answer confirms what I have suggested, I should like to ask the Prime Minister whether this short-changing in respect of old age pensioners is a cornerstone of the just society?

Mr. Speaker: Order, please.

COMMONWEALTH CONFERENCE

INVITATION TO HOLD NEXT MEETINGS IN CANADA

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether the government has extended an invitation to the secretariat of the Commonwealth association to hold the next Commonwealth meetings in Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Hales: Is it the intention of the government to extend an invitation?

Mr. Sharp: Mr. Speaker, it is not necessary to make a decision on that question at the present time.

TRADE

TEXTILES—REQUEST FOR LIMITATION OF IMPORTS

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask the Minister of Finance whether any consultations are taking place or consideration is being given to lessening the quotas of textiles allowed into Canada, particularly men's shirts from low wage countries? I ask this question because of the announcement today by Cluett Peabody and Company of Canada Limited that they are closing their plant at Stratford, which manufactures men's shirts and which will throw some 160 people out of work.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I am aware of this development which my hon. friend mentioned, and the difficulties that certain shirt manufacturing companies have recently had to face. Indeed it was because of the increase in low priced imports of woven shirts during 1967 and 1968 that last year we negotiated export restraint arrangements with several additional low wage countries in order to prevent further damage to Canadian shirt manufacturers. It seems reasonably certain that with the additional agreements now in effect imports of low priced shirts will decline in 1969 to levels which should provide some relief to Canadian manufacturers.

Mr. Baldwin: When you get through some of us will have no shirts.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, in respect of these agreements was Japan also included?

Mr. Benson: Yes, Mr. Speaker, we negotiated quotas with Japan. We also negotiated quotas with other countries which are considered low wage countries.

[*Later:*]

Mr. Paul Yewchuk (Athabasca): My question is directed to the Minister of Finance, Mr. Speaker. It arises out of the question asked by the hon. member for Perth concerning the closure of a Canadian shirt factory. Does the minister now realize that as a result of his policies Canadians are rapidly losing their shirts?

HOUSING

TASK FORCE—RECOMMENDATION FOR REDUCED LEGAL FEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Transport in his capacity or responsibility for housing whether he is considering a recommendation to the Central Mortgage and Housing Corporation that the fees charged by lawyers appointed by the corporation to handle mortgages on houses be reduced along the lines recommended by the task force.

Mr. Speaker: I believe this question was asked previously. If the hon. member thinks there is urgency in asking it a second time it might be placed on the order paper or discussed at the time of adjournment.

SPORTS

EFFECT OF TASK FORCE RECOMMENDATIONS ON NATIONAL HOCKEY TEAM

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the Minister of

National Health and Welfare whether he is meeting with a group of hockey executives tomorrow with a view to setting up a structure for a more effective national hockey team and, if so, what part if any will the recommendations of the task force on sports play in this issue?

Mr. Speaker: Order, please. I have some doubt as to whether the question is one of urgency. If hon. members are agreed that the question and an answer should be allowed I have no objection.

Mr. Hees: Let him answer.

Mr. Speaker: The hon. member for Prince Edward-Hastings having suggested the question is urgent, it shall be allowed.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, in answer to the hon. member, I am meeting tomorrow with the hockey executives and other people interested in the hockey situation in Canada, with the end in view of improving the Canadian position in international hockey. We will be considering the matter of bringing in those people to see whether the situation can be improved. As to what effect the task force recommendations will have on this development, we will have to wait until that force completes its findings and makes a report. It is bound to have some effect. Whether one of the courses of action will be a reference to a parliamentary committee to study the whole question, is something I do not know at this time.

Mr. Simpson: Mr. Speaker, can the minister say whether the government intends to have the whole relationship between professional and amateur hockey examined by a parliamentary committee?

Mr. Munro: As I have indicated, Mr. Speaker, this is a course of action to which the government will have to give consideration.

WATER RESOURCES

STEPS TO PREVENT POLLUTION OF BOW RIVER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question relates to an oral answer today in respect of a question appearing on the order paper. Pollution is a very important national problem facing Canada. The parliamentary secretary admitted that raw sewage from Banff township, which over 1,500,000 people visit each summer, is being poured into the river. Will the government now build the necessary facilities to make certain that the Bow River will be kept pure, in view of the fact that this affects some 750,000 people?

Perhaps in the absence of the minister I might redirect a question to the parliamentary secretary. In the event he has no answer I should like to ask the Prime Minister this question, because I know he has studied pollution and considers it one of the most important national problems facing Canada.

Mr. Hees: On a point of order, Mr. Speaker, it seems to me that from a government which professes to be in favour of increased dialogue we are getting an awful lot of non-answers and silence.

INDIAN AFFAIRS

REQUEST FOR STATEMENT OF FUNCTIONS OF MINISTER WITHOUT PORTFOLIO

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of both ministers involved with Indian Affairs and northern development I should like to ask the Prime Minister whether he can enunciate clearly at an early date what the responsibilities and duties are of the hon. member for Port Arthur (Mr. Andras) in respect of his association with the Department of Indian Affairs and Northern Development, because there is a great deal of doubt about this in the minds of the native Indian people. They should like to know what his functions are.

[*Translation*]

EXHIBITIONS

MAN AND HIS WORLD—REQUEST FOR INTEREST-FREE LOAN

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wish to direct my question to the Minister of Finance.

Since it has been reported this morning that Canada has just agreed to a $2 million loan to Ceylon for 40 years without interest, could the Minister of Finance give the house the assurance that a similar loan could be granted to the city of Montreal in order to save Man and His World?

Mr. Speaker: Order. The hon. member for Charlevoix.

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

LABOUR CONDITIONS

C.N.T.U.—INCENTIVES TO IMPROVE EMPLOYMENT OPPORTUNITIES

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to ask a question to the Prime Minister. In its brief to the government the Confederation of National Trade Unions has pointed out that unemployment in the country has reached alarming proportions, especially in Quebec, and urged the government to devise economic incentives to correct the situation. Could the Prime Minister tell the house whether or not it is his intention to follow up the unions' proposal?

Mr. Speaker: The hon. member for Timiskaming.

Mr. Asselin: Mr. Speaker, I rise on a point of order.

I maintain that this matter is of an urgent and extremely important nature, since the rate of unemployment in Quebec is currently 8.2 per cent.

Mr. Speaker: Order. The hon. member for Timiskaming.

[*English*]

PARLIAMENT BUILDINGS

CONTROL OF EAST BLOCK SPACE BY HOUSE OF COMMONS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Prime Minister, through you, whether he is in a position to advise the house when arrangements will be completed as to the turning over to the House of Commons of control of the East Block, necessitated by the need for office space made necessary by changes in translation and other services?

EXTERNAL AID

BIAFRA—REDUCTION OF RELIEF FLIGHTS CAPACITY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the continuing starvation in Biafra, will the Canadian government exert diplomatic and political pressure on the Nigerian government to stop the terror bombing that has recently had the effect of reducing drastically full capacity relief flights at the Ulhi airstrip?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think it would be more useful to put pressure on Colonel Ojukwu to agree to daylight flights; then the possibility of bombing would be greatly reduced.

DOMINION-PROVINCIAL RELATIONS

SHARED PROGRAMS—FREEZE ON BUSINESS EDUCATIONAL FACILITIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Finance. Will the freeze on the federal contribution to the federal-provincial cost-sharing program dealing with business educational facilities be melted, and if so, when will the thaw take place?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think my hon. friend must be talking about technical schools rather than business education. What was indicated to the provinces was the amount that we felt we could advance in the forthcoming year. If I have misinterpreted the question, I would appreciate my hon. friend telling me so.

Mr. McCleave: Mr. Speaker, perhaps the minister could take the questions as notice, because the information I have is that it concerns business educational facilities.

EXTERNAL AFFAIRS

BIAFRA—POSSIBLE EXECUTION OF REFUGEES

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he has conveyed to our member of the observer team in Nigeria the concern of this country about recent reports that all male Biafran refugees in Port Harcourt are in danger of being executed? Will the minister undertake to report to the house the results of any investigation of this matter by the observer team?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will be very happy to convey this information from the hon. member if it is information. I will have inquiries made.

MIDDLE EAST—SAFETY OF CANADIANS ON AIR ROUTES

Mr. Barney Danson (York North): Mr. Speaker, my question is to the Secretary of State for External Affairs. I ask the minister what steps the government is taking to ensure the safety of Canadians from non-aeronautical hazards when travelling by air in the Middle East. Second, what can be done to prevent

the escalation of these terrible incidents, the repetition of which occurred again in Zurich last night?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government is deeply shocked and concerned by this further instance of interference with civil aviation by violent action. We strongly condemn such actions which endanger the lives of innocent persons and constitute a grave threat to international travel and communications.

The Canadian government endorses and supports the statement issued yesterday by the Secretary General of the United Nations calling for international action to prevent the recurrence of such events. These attacks are particularly to be deplored for the risk of escalation in the Middle East conflict which they carry, and for the hampering effect they are bound to have upon the efforts of Ambassador Jarring to achieve a peaceful and accepted settlement of the Middle East dispute.

Mr. Paul Yewchuk (Athabasca): A supplementary question, Mr. Speaker. In the light of the long standing problem in the Middle East and the recent events in Zurich, will the minister say whether a reassessment of Canada's policy with regard to the Middle East is part of our foreign policy review at the present time?

Mr. Sharp: Mr. Speaker, our policy with respect to the Middle East is, of course, under constant review, because this is a matter of very urgent importance to all countries of the world. We are following events very closely. We are doing all that we can to support the efforts, particularly of the Big Four, to assist in bringing about a settlement. We believe this to be the most effective action we can take at the present time.

[Translation]

REGIONAL DEVELOPMENT

FRED—PLAN FOR PRINCE EDWARD ISLAND

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, because it was noisy for a while in the house last Monday, I misunderstood the question asked by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), who wanted to know if we were on the point of signing an agreement with the province of Newfoundland in respect of the FRED program.

[Mr. Danson.]

I thought he was referring to Prince Edward Island and I answered that I hope the agreement would be signed within a few weeks. I wish to make it clear that the answer concerned Prince Edward Island and not Newfoundland.

APPLICATION OF PROGRAM TO DEPRIVED AREAS

Mr. Henry Latulippe (Compton): Mr. Speaker, my question is for the Minister of Forestry and Rural Development.

Could he tell the house whether his new department intends to limit its program to a few pilot areas in Canada, or to extend it to all the economic regions of every province?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, we shall help as many as possible with the means and resources at our disposal.

[English]

CRIMINAL CODE

AMENDMENT TO PROHIBIT OFF-TRACK BETTING

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Justice. Is it the intention of the minister to introduce in this session legislation amending the Criminal Code to prohibit off-track betting?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I discussed this matter with the Attorney General of Ontario, the Attorney General of Saskatchewan and the Deputy Attorney General of British Columbia last week during one of the free periods in the federal-provincial conference. At that time the matter was before the Supreme Court of Canada. The hon. member knows that on Monday afternoon the Supreme Court of Canada dismissed the petition for leave to appeal of the Attorney General of Ontario, without reasons. I have written all the provincial attorneys general asking for their reaction to the stated law as it now exists. On receipt of their replies we will have to consider just what legislative action should be taken.

AMENDMENT TO BAIL PROVISIONS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Justice. In view of the difficulties the students in Montreal are having obtaining

bail, has the minister given consideration to the early introduction of amendments to the Criminal Code with reference to the bail section?

Some hon. Members: Sit down.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I am afraid that I have to remind the hon. member that the administration of justice and the task of interpreting the law as it now stands is the responsibility of the Attorney General of Quebec and the crown prosecutors in Montreal. As for the reform of or amendments to the law of detention before trial, and bail, it is the intention of the government to introduce as soon as we can a new, omnibus bill—not quite so omnibus—on wire tapping, bail and other allied matters.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker, to the Minister of Justice. Can the minister assure the house that the legislation governing fire-arms will be ratified before the next winter carnival?

Some hon. Members: Oh, oh.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, has the minister in mind a change in the right of a magistrate or judge to deny bail when he believes that in the interest of justice the individual who has applied for bail ought not to have it?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the right hon. member is tempting me to comment on a current judicial proceeding—

Mr. Diefenbaker: No, I am not.

Mr. Turner (Ottawa-Carleton): —and he would not really want me to do that.

Mr. Diefenbaker: I was not thinking of any present case at all, Mr. Speaker. I am simply asking the minister, does he have in mind changing the law so that the present discretion which rests with a magistrate or judge in the granting of bail will be determined by statute?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my view is that the law on bail is in need of a good deal of amendment.

Mr. Diefenbaker: The minister is speaking out of both sides of his mouth.

INTRODUCTION OF SECOND OMNIBUS AMENDING MEASURE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the minister has said that another or a second omnibus bill to amend the Criminal Code will be prepared soon.

An hon. Member: It is not omnibus; it is ominous.

Mr. Woolliams: In view of this, does the minister intend making a statement on motions to tell us what he has in mind as far as amendments to the Criminal Code are concerned?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I think that the next time the estimates are discussed in the Committee on Justice and Legal Affairs would be a good time to discuss that matter, and I would be glad to do so.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Could the minister indicate whether one of the proposed amendments in the second omnibus bill will include changes to the first one, that has not yet been disposed of?

Mr. Turner (Ottawa-Carleton): We will certainly get a simpler name for the benefit of the hon. member.

Mr. Speaker: Order, please.

Mr. David MacDonald (Egmont): A supplementary question to the Minister of Justice, Mr. Speaker. In view of the rather general agreement which has for some time existed with regard to the outmoded use of corporal punishment, will this matter be included in the second omnibus bill to be presented by the minister?

Mr. Speaker: Order, please.

PUBLICATION OF PORNOGRAPHIC MATERIAL

Right Hon. J. G. Diefenbaker (Prince Albert): May I direct a further question to the Minister of Justice and ask him whether, when he brings in what I suppose one might call his "minibus bill" containing various amendments to the Criminal Code, he intends to include an amendment to the section dealing with obscenity, in order that pornography may not be published as it is being disseminated today, which by reason of judicial interpretation, is actually not subject to law?

Inquiries of the Ministry

Hon. John N. Turner (Minister of Justice): I shall certainly take that suggestion into consideration. As a matter of fact, after the right hon. gentleman raised this matter a few weeks ago I asked the department to give me a resumé of the current chaos in the law affecting obscenity.

Mr. Diefenbaker: I thank the minister for his reply. May I suggest he should look at the situation in the state of Michigan, where the law has worked very well to keep pornography out of the homes.

EXTERNAL AFFAIRS

ORGANIZATION OF AMERICAN STATES—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Following his meeting with the Voice of Women this morning on some aspects of foreign policy, can the minister indicate to us what the government's present policy is with regard to Canada's joining the Organization of American States?

Mr. Speaker: Order, please. I think the hon. member is asking for a policy statement from the minister. However, the minister may reply briefly, if he wishes to do so.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the matter is under consideration.

[*Translation*]

EXCHEQUER COURT OF CANADA

PUBLICATION IN FRENCH OF RULES AND PROCEDURE

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to put a question to the Minister of Justice.

Is he in a position to tell us today exactly when the publication in French of the rules and general orders of the Exchequer Court which he promised in January, will be tabled?

Hon. John N. Turner (Minister of Justice): I had been assured, Mr. Speaker, that those rules and general orders would be published in both languages in the near future, but I will seek information from the Chief Justice of the Exchequer Court.

[Mr. Diefenbaker.]

[*English*]

CANADA CORPORATIONS ACT

DISCRIMINATION AGAINST MINORITY STOCKHOLDERS

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Is the minister giving consideration to the situation of minority stockholders, who have faced apparent discrimination in connection with recent corporate mergers and take-overs, when preparing amendments to the Canada Corporations Act?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

CONSUMER AFFAIRS

PERSONNEL OF PRICES AND COSTS COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs whether he is in a position to announce the membership of the new board to be established in connection with the investigation of prices and costs and, if not, when we may expect an announcement in this regard?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker; not yet. When this question was last raised I asked the hon. gentleman whether he had any suggestions to make with regard to the membership, but I have not yet received any.

Mr. Stanfield: May I ask the minister whether the country may soon expect to learn the composition of this board or whether it will have to wait as long as it waited for the white paper?

Mr. Basford: I said with regard to the white paper that the policy enunciated therein would serve as a basis for consultation with the interested economic groups in the country. I believe it would be wholly improper for me to name the board before that process has been completed.

HOUSE OF COMMONS

COMOX-ALBERNI—INQUIRY AS TO HOLDING OF BY-ELECTION

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Prime Minister and ask him whether he has yet had time to consider a date for the by-election in

Comox-Alberni? It is next door neighbour to another constituency in which a by-election has already been held. I wonder whether the Prime Minister has had time to consider a date for the by-election in Comox-Alberni, and whether he can assure us there will not be too long a delay before it is called.

Right Hon. P. E. Trudeau (Prime Minister): I can give that assurance, Mr. Speaker.

[*Translation*]

HOUSING

ROLE TO BE PLAYED BY BANK OF CANADA

Mr. Lionel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Transport.

Since the minister is trying by all possible means to sensitize the government to problems in the house field—and I congratulate him for it—could he tell us whether the Bank of Canada will have some part to play within the financing co-operatives to be established?

[*English*]

CANADIAN BROADCASTING CORPORATION

THE PUBLIC EYE—CRITICISM OF PROGRAM CONCERNING INDIANS

Mr. Robert Simpson (Churchill): I have a question for the Secretary of State, Mr. Speaker, but in his absence I should like to direct it to his parliamentary secretary. Has the Secretary of State received a letter from the president of the Manitoba Indian Brotherhood expressing grave concern about and strong criticism of the C.B.C. program, The Public Eye, of February 5, and the further program concerning the Indian people of Canada shown on February 17? If so does the government, through the Secretary of State intend to look into this matter?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): As the hon. member knows, the Secretary of State is away on a government mission in Africa. I have not had such a letter brought to my attention, but I shall be glad to look into it and if such a communication has been received, bring it to the attention of the C.B.C.

Mr. Simpson: Since it is apparent that the producers of this program went far out of their way to show the Indian people in as bad a light as possible, I would ask the parliamentary secretary to look into this immediately.

Inquiries of the Ministry

HOUSE OF COMMONS

TELEVISING OF HOUSE AND COMMITTEE PROCEEDINGS

Mr. David MacDonald (Egmont): I have a question for the President of the Privy Council. The other day I asked the minister whether he would give consideration to placing immediately before the Committee on Procedure the question of broadcasting our discussions in relation both to this house and to the several committees. Can the minister tell us whether this matter will be on the agenda, as the committee begins its work this afternoon?

Hon. Donald S. Macdonald (President of the Privy Council): Well, Mr. Speaker, the committee has a certain order of reference and I think it will stick to that.

Mr. MacDonald (Egmont): In view of the considerable interest shown in this subject, may I ask whether the minister is giving consideration to setting up a special committee to examine the possibilities in this direction?

Mr. Macdonald (Rosedale): I am not considering the establishment of such a committee, Mr. Speaker.

REGIONAL DEVELOPMENT

FRED—PLAN FOR NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the minister responsible for rural development and regional economic expansion. In view of the disappointment caused by his mistaken announcement the other day that a FRED agreement would be signed very shortly with Newfoundland, when he meant Prince Edward Island, I wonder whether the hon. gentleman would now give special consideration to Newfoundland and to its FRED agreement with the federal government?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, we are having talks with the provincial authorities, and we hope to find the best solution available to assist Newfoundland.

[*English*]

Mr. John Lundrigan (Gander-Twillingate): In view of the fact that the program for the expansion of his activities has already been tabled, can the minister say when we may expect the ratification of such an agreement? We have heard a great deal about it, but we

are not certain about the progress made toward ratification.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I have every reason to believe that it will be a short delay and that the P.E.I. agreement will be signed in the near future.

[*English*]

LABOUR CONDITIONS

MEASURES TO PROVIDE EMPLOYMENT OPPORTUNITIES

Hon. Robert L. Stanfield (Leader of the Opposition): A few days ago, Mr. Speaker, I asked the Minister of Finance whether he would consider making a statement in the house, at his convenience with regard to employment conditions, particularly in certain parts of the country, and the answer then was that he would consider doing so. I wonder whether he has yet had ample opportunity to consider whether or not we can expect such a statement. Perhaps he can tell us when a statement is likely to be made.

Hon. E. J. Benson (Minister of Finance): I have considered the hon. gentleman's suggestion and discussed the matter with my colleague the Minister of Manpower and Immigration. No decision has been made on this point.

INQUIRY OF THE MINISTRY

Mr. John Gilbert (Broadview): My question is directed to the Minister of Transport. In view of the tremendous support the minister received in his bid for the leadership of his party, is he prepared to respond by giving support to the new Ontario Liberal candidate, Judy LaMarsh?

Mr. Hees: Smile.

[*Translation*]

HOUSING

SHOWING OF FILM IN FRENCH LANGUAGE

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Last Monday evening, in this building, the minister showed slides and films on the problem of housing. Everything was in English only. I would like to ask him whether he would be willing to show those films and slides once again, with French comments, for the benefit of French-speaking members.

Mr. Speaker: The hon. member—

Hon. Paul Hellyer (Minister of Transport): I will show them in French a little later, Mr. Speaker.

Mr. Fortin: Mr. Speaker, I am rising on a point of order. I would like the minister to assure us that the projection of those films and slides will be accompanied by comments in French, for the benefit of French-speaking members.

Mr. Speaker: I suggest to the hon. member that this presentation does not deal directly with the business of the house. Perhaps I am mistaken, but at all events, I would be glad to hear what the minister has to say.

Mr. Hellyer: As I said, Mr. Speaker, I hope to have the opportunity within a few weeks of presenting this in French.

[*English*]

INCOME TAX

COLLECTION OF SOCIAL DEVELOPMENT TAX BEFORE APPROVAL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance supplementary to one that I put to him 12 days ago. Does the government intend to go on collecting the 2 per cent social development tax, even though the legislation has not been passed by parliament?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this is the usual procedure with regard to changes in the income tax, as my hon. friend knows. If we can move forward with the business of the house very quickly—and I am sure he will help us—we will have this legislation brought forward so that it can be ratified by the house—as I am sure it will be because it is for the benefit of all Canadians.

Mr. Knowles (Winnipeg North Centre): A supplementary question. Does the fact that this is the usual procedure of the Liberal government make it correct?

Mr. Benson: Mr. Speaker, it is not—

Mr. Speaker: Order, please.

• (3:00 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed, from Tuesday, February 18, consideration of the motion of Mr. Benson that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be read the second time and referred to a Committee of the Whole, and the amendment thereto of Mr. Saltsman (p. 5191).

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise to make a few brief remarks regarding Bill C-165, put forward by the Minister of Finance (Mr. Benson), to amend the Income Tax Act and the Estate Tax Act. Leaving aside the Income Tax Act, after much consideration of the points that have been put forward by the minister and the excuses made on behalf of the minister and the government by several private Liberal members, I must declare that I am against the amendments to the Estate Tax Act.

I wish to quote briefly from the Napanee *Beaver* for Wednesday, February 12. In an editorial the editor states:

> The *Financial Post* suggests that the most desirable move as far as succession duties are concerned would be to abolish them altogether... Abolition of succession duties has been recommended by the Trust Companies Association of Canada and professional estate planners and executors find the combined requirements of federal and provincial death taxation complex and baffling. The layman doesn't stand a chance if he tries to handle such matters by himself.

That is one reason I am not going to put any intricate statistics before the house today. I am just going to speak out to the best of my ability against this measure because I do not think it is good for Canada. I continue with the quotation from the *Beaver*:

> Death taxes should be levied by either one governing statute, or, at least, under uniform laws and administration. Or, better still, in the view of many, they should be eliminated altogether—
>
> Mr. Benson has indicated that death taxes are too good a source of revenue to be abandoned and has said that they have formed a favourite source of revenue for governments since the days of early Rome. This is true, but heavy taxation also led to the downfall of Rome because it was ruled by a government which became too greedy.

Ancient history tells us that one of the most damaging factors that destroyed democracy in ancient Rome was the rule of a triumvirate which led to a dictatorship. History now repeats itself. We have in this house a triumvirate. I am not going to foretell the future but it bodes ill for the progress of Canada to have a modern Pompey, Crassus and Julius Caesar in this house. The triumvirate that existed in Rome consisted of three warlike persons; this one consists of the ministers of culture, money and manpower.

I was one of those who two weeks ago, before we had the opportunity of debating this measure in the house, opposed it on television and radio and in the other news media serving my section of Ontario. Representing the riding of Frontenac-Lennox and Addington in the House of Commons, I realize that I represent an area where the family farms and the small businesses in the towns, villages and countryside have always been the most stable and the main sources of livelihood.

At this point I want to refute a statement made by a Liberal member, the hon. member for Coast Chilcotin (Mr. St. Pierre), who in his speech last Monday clearly interpreted Liberal policy when he made excuses for the minister's severe taxation measures. As reported at page 5624 of *Hansard* the hon. member said:

> Unless estate taxes are used to prevent the pyramiding of family wealth, then it must follow we are going to move increasingly into a hereditary aristocracy of wealth in this country. It will not be basically from a titled aristocracy. It will gain power in the nation's political affairs by virtue of birth rather than by virtue of individual worth. I am convinced that this or any other form of class system is bad for Canada.

I interpret that to mean that Liberalism proclaims that family thrift is now something to be frowned upon. According to the record of the Liberal party and their socialist policies and tendencies, both on the part of the party and of their new leader, this is nothing but sheer nonsense. I will not allow the hon. member to say this about the people of Frontenac-Lennox and Addington who operate their modest but thrifty family farms and small businesses.

The same thing might be said about other ridings across Canada. The hon. member for Coast Chilcotin talks about the menace of a hereditary aristocracy of wealth in this country that would emanate from the customary hereditary traditions, whereby a father and a mother try to save and to hand something down to their children. This is typical Trudeau liberalism and socialism. The old virtues of thrift and economy are now condemned.

Imagine the Liberal party, through this Liberal spokesman who is propounding its

latest policies and opinions, speaking of the menace of the small family farms and businesses of Frontenac-Lennox and Addington or any other riding in Canada, of their forming a titled aristocracy and gaining power in the nation's political affairs by virtue of hereditary rather than individual worth. This is more Liberal socialistic nonsense.

In fact, if the people who operate the family farms and small businesses of this country could make their opinions and policies more known and workable at all levels of government, Canada would not be in the grave condition it is at the present time. The people who operate the farms and small businesses of this country operate them, by and large, in a sane and sensible way in order to earn a living. Rather than dissipate their assets in one generation, with good management and the minimum of government interference the owners of these farms and businesses pass them on to the next generation. This government, Mr. Speaker, with its socialist policies is politically bankrupt. Since its taxation policies are frantic, it is evident that it is fast approaching a state of monetary bankruptcy.

• (3:10 p.m.)

The minister's proposed tax provisions have been changed. He has reverted to the $50,000 estate tax floor which was included in previous legislation. I am glad that the representations made by the leader of our party and our party members have helped to check the smash and grab policies of the Minister of Finance. Formerly he proposed to levy tax on estates worth $20,000 and more. Even so, I am not satisfied that the proposed legislation as revised is good for Canada. This measure will still place a mortgage on most small businesses in Canada and on most family farms in cases where mothers or fathers bequeath their interest in the business or farm to a son. The measure is being brought in at a time in our history when small family businesses and farms are having difficulty just in keeping afloat and solvent. The inheritor must have enough cash on hand to run the business and, at the same time, to pay to government its huge estate tax, to say nothing about meeting the expense of living and bringing up and educating a family.

I have said I am against the estate tax, and I wish to put my thoughts this way: A parent ought to be able to hand down to a son or daughter the family farm or family business and the operating equipment thereof, without any estate tax being levied on that part of the estate forming the business or farm, provided that the beneficiary becomes or is the resident operator of that farm or business. Any other property in the form of cash in the bank, bonds, stocks, etc. should of course be taxed at appropriate rates. After all, that would be nothing more than an income tax. We cannot avoid income taxes.

I have received between 75 and 80 letters on this matter from the people of my riding. They are all good and reasonable letters; they all concede we must have taxation. But most of them say it should not be this kind of taxation. These letters point out that the estate tax is nothing but a duplication of taxation. Each letter protests that small businesses and farms are taxed heavily enough every year and ought not to be subjected to a tax that, on the death of the surviving owner, is tantamount to confiscation. I cannot read all these letters but I shall read one that is representative of all of them. It is from Mr. Donald H. Hough, R.R. 2, Napanee, Ontario. It says in part:

> If sons inheriting farms have to borrow large sums to pay estate taxes, this added burden of debt on Canadian agriculture can only add to the cost of production and force up product prices to the consumer. Also, the Department of Agriculture, and especially the Federal Dairy Commission have been working toward larger, efficient, units of production. This prohibitive rate of tax can only work against this principle, and will destroy larger units.
>
> I understand that part of the theory behind estate taxes is the objective of the "redistribution of wealth"; to accomplish through the use of taxation, an equalization of citizens and families down at a generally comparable level. Here a great injustice is being done to farm land owners, who require the land, livestock, machinery and equipment which forms most of their estate for the purpose of making an annual income, while wage and salary earners who probably have a much larger annual income over most of their lives need have only a house and probably a car for their estate—
>
> This estate tax rate will cause inflationary pressures because people will take the attitude "might as well spend it now". It will also cause less employment, as people will let their property depreciate, and men wil have no incentive to build larger businesses and then have the results of their labours or management almost confiscated.
>
> The land, livestock, production buildings, and agricultural machinery, to a farmer, are the same as an education or skilled trade to the professional man or worker for wages, they are a requirement to make an income. Since the education or skill cannot be considered part of the estates of those people, a farmer should be provided with sufficient exemption to permit him to pass to his son an economic size unit of land, livestock and machinery, as long as these are actually being used for agricultural production. The value of residences, automobile and personal possessions and cash and

investments could be taxed on an equal basis with estates of salary and wage earners if anyone must be subject to such a grasping tax.

I think Mr. Hough's opinions are well worth listening to and heeding. I am sure that you, Mr. Speaker, and most hon. members can readily agree with him. It is my further opinion that the government should drop the estate tax bill. Let there be income tax, as there has been since 1917, I believe. That tax should be commensurate with the needs of the government. I am referring to the many worthy economic and social services this government has to supply. Let the income tax be commensurate with the annual profits of small businesses and farms which are handed down as estates. In my submission, if one considers all the circumstances this tax has no merit and there is no place for it in our society.

To further support this view, may I now read an extract from the Toronto *Telegram* of Tuesday, February 11. In an address given the previous evening L. G. Greenwood, president of the Canadian Imperial Bank of Commerce, is reported to have made certain comments. The newspaper report of those comments in part is as follows:

> Ottawa should consider abolishing inheritance taxes rather than proceeding with its plan to increase revenue from them ... Reducing exemptions in estate taxes would run counter to other government policies and could weaken Canada ... His criticism of the inheritance tax changes was part of an attack on government tax and welfare policies which, he claimed, promote inflation and reduce the individual's incentive to work—
>
> "Small businesses, often they are family businesses, do much for the strength of Canada. Why should they be put in jeopardy when the owner passes on?", he asked.
>
> The general tendency to increase taxes erodes incentive and leads to "alienation from work," said Mr. Greenwood ... The failure of productivity in Canada to keep up with wage increases is one cause of inflation which he termed "an insidious disease, a destroyer of values."
>
> It would be "tragic" if Canadians lost their initiative because of government policies, he said. "The better life must be earned. It is not something that can be created by an act of Parliament," he added.

I am sure Mr. Greenwood means that legislation has increased the burden of taxation. That burden, when shouldered by the small businesses and farms of Canada, will serve to decrease their future productivity. The estate tax takes away all incentive for the proprietary channels to save. Liberalism and its present policies are not Liberal policies at all basically, but socialistic policies. They are not traditional with the former line of Liberal thought.

• (3:20 p.m.)

There is another point being made at this time across the length and breadth of this country. I hear people on the streets of towns and villages in my riding discussing the inconsistency of Liberal policy. Regardless of what excuses the Prime Minister (Mr. Trudeau) or any member of the cabinet may make, splits in the cabinet and the utter worthlessness of the government's present policies are pointed out, as well as the impending damage being done to the Canadian economy.

Although the Minister of Transport (Mr. Hellyer), who is also the minister responsible for housing, stressed in his report the need for more housing and advocated the abolition of certain taxes which discourage more housing, for example, the 11 per cent sales tax on lumber and building materials, the Minister of Finance said "no" to this recommendation. I commend and support many of the policies recommended by the Minister of Transport in his report which encourage more estates. It is true that every house built by a young couple or family is the beginning of another estate. On the other hand, the Minister of Finance is proposing a taxation measure which will destroy thousands of estates and stagnate and stultify the founding of potential new estates. This, Mr. Speaker, is a typical example of Liberal contention within their own ranks. The minister responsible for housing says, "Yes, go ahead, Canada, as soundly and economically as possible". Then we have the Minister of Finance saying, "No, you cannot go ahead, Canada, until you pay me my pound of flesh."

Canada, as a corporate body, is only 102 years old. I am sure most hon. members will agree that with the exception of a narrow strip along the 49th parallel of latitude, the St. Lawrence Valley and the Maritimes, Canada is largely undeveloped. There are too few estates in this young country to have an estates tax. That is the reason I oppose it.

In this country, as well as in this house, one must be of one opinion and purpose. Once cannot equivocate. I deplore the adverse effect of Liberal policies and Liberal administration upon the progress, growth and development of Canada. Furthermore, I oppose a capital gains tax, as this has been likened to, or any similar measure. With all the support I can possibly summon I oppose this estate tax. Most hon. members will from time to time pay tribute to and espouse private enterprise. Here is a chance for us to support private

enterprise at its very best by opposing this bill.

Mr. Les Benjamin (Regina-Lake Centre): I rise to speak in this debate, Mr. Speaker, as a layman. Should I live to be a thousand years old I will probably never accumulate an estate on which estate tax will have to be paid. The more articles I read written by people who are supposedly experts in the financial and taxation field, the more I read newspaper reports of what the Minister of Finance (Mr. Benson) has said, the more confused I become. I am to blame in part because of my ignorance in this field. I do not want to give the impression that I am taking the position of being both for and against this estate tax proposal. I hope I can be logical in presenting my position as I think the majority of the people of this country support it. My colleagues and I support in principle the levying of estate taxes.

Mr. Woolliams: Would the hon. member answer a question?

Mr. Benjamin: I will be glad to when I am finished. While I do not always agree with everything written by Douglas Fullerton, I would like to quote from one of his articles which appeared in the Ottawa *Citizen* of February 8:

> One might go even further in suggesting that in a truly egalitarian society there should be very severe restraints on the transmission of property from one generation to the next.

I agree with that point wholeheartedly.

> Children of the middle classes and the rich start off now with many advantages in competing with their poorer fellows—better home environment, better food and medical care, and usually better education.

Their advantages in all of these respects are better than those of their poorer fellow citizens. Mr. Fullerton goes on to say:

> Why should they have the further advantage of inherited wealth as well?
>
> Privilege is something that should be earned, not transmitted from father to son—

In that light I am convinced many thousands of people in Canada support the principle of taxing estates. But the levying of such a tax must be progressive and equitable. As with all taxes of this nature, it must be based on ability to pay. I wish that the government, as well as the official opposition, would be as concerned about the thousands of millions of dollars of undertaxed and untaxed incomes in this country as they are with taxing those in the low and middle income brackets.

[Mr. Alkenbrack.]

• (3:30 p.m.)

The N.D.P. amendment reads as follows:

> That Bill No. C-165 be not now read a second time, but that it be resolved that in the opinion of this house the government should give consideration to a complete revision of the federal estate tax legislation with a view to making the rates of taxation under such legislation truly progressive and equitable.

That is why I am opposed to this bill. The principle of taxation based on ability to pay, progressive in its application and equitable, is not to be found in this legislation. I know that bits and pieces attempts are made in various parts of the legislation partly to apply this principle. But in totality not only this tax but the overwhelming majority of tax legislation in Canada is not just, equitable or sufficiently based on ability to pay.

For the record I would like to read the policy of the New Democratic Party as expressed in writing before and during last year's election campaign so that there can be no possibility of any member misunderstanding it, particularly those sitting to my immediate right.

> Canada's system of taxation is unjust. The middle and lower income groups pay too much and many privileged persons and corporations get off very lightly. The New Democratic Party believes in a complete reform of our tax system and at the same time protection of the family farm and the family business. Provision will be made for the transfer of the family farm or the family business from one generation to the next without impairing that enterprise.
>
> There will be no inheritance tax on a farm which on the death of a husband passes to his wife and dependent children. Inheritance tax on a farm unit passing directly to a member of the family, ought to provide for payment of tax over a long period and tax credits if the farm stays in the family for a period of years. At no time will it be necessary to sell farm assets in order to pay inheritance tax.
>
> A farmer's retirement fund is frequently in his land. On selling the land when he retires a farmer should have the right to invest a lump sum, with income tax exemptions, in an approved retirement plan.
>
> The farmer must always have a free choice between use of the cash or accrual system of accounting for tax purposes.

I emphasize the last sentence in that portion of our party's policy pertaining to inheritance tax:

> At no time will it be necessary to sell farm assets in order to pay inheritance tax.

We in the New Democratic Party believe it is socially desirable to have family-owned and family-operated farms and small businesses. While we believe that an estate tax is all right in principle, we submit that the

application of the principle requires exceptions and exemptions so that these socially desirable objectives of family-owned and family-operated farms and small businesses are not inhibited or destroyed.

Many hon. members have welcomed the change proposed by the minister whereby a six-year period will be provided for payment of estate tax. I submit that this will not be really sufficient in a number of cases and that in certain isolated cases the requirement that the tax be paid within six years is likely to force the sale of the assets of a family-operated farm or business unit or will necessitate additional borrowings resulting in a burden of debt from which recovery cannot be made.

With the government's majority the minister will get his legislation passed, but I hope that the regulations he promulgates to implement it will permit the stipulation at his discretion of an additional number of years over and above the six specified in the bill during which family-owned and operated farms and small businesses can pay estate tax and thus not be placed in jeopardy by having to sell some of the assets or take on additional debt. I also hope that the regulations will permit every case to be judged on its own merits. This can be done because in reality 80 per cent or more of Canada's population will never even come close to having to pay an estate tax.

I am often amazed about the concern expressed at great length by those in the insurance, estate planning, trust company and banking fields. But when they protest and say that inheritance taxes or succession duties should be done away with, I am somewhat suspicious of their desire to help the small estate or the individual whose income throughout life has been low or very moderate, in view of the fact that those who have the most to gain from the abolition of estate or inheritance tax or succession duties are those who do not need their abolition.

Having listened to a number of hon. gentlemen in the official opposition raise so much fuss about estate tax, I would appreciate it if some of them would give the house an explanation of why, in 1958 or 1959 when they were in office, they made major changes in Canada's tax legislation that did away with a great amount of tax legislation pertaining to succession duties and substituted for it an estate tax. I would appreciate hearing from members of the Conservative party the reasoning behind this. I can see some good administrative reasons for it. It is easier to keep track of and collect estate taxes than it is to do these things with succession duties. But if there are a lot of arguments in favour of doing away with inheritance duties I would still be grateful to hear an explanation for the actions of Conservative members when their party formed the government of this country.

I wish to add my view to that already expressed by many hon. members in support of estate tax regulations that should not endanger the operations of family-owned and operated farm and small business units.

• (3:40 p.m.)

It has been mentioned before but is worth repeating that for a not very large grain farm in the prairie provinces one can arrive at total assets of $200,000. Two sections of very average land would be worth at least $90,000. The machinery required to operate a farm of two sections of land with average crops and good management would be worth at least $25,000. If one were to take a line of machinery containing each kind of machine perhaps two or three years old for that kind of operation, the value of that machinery would be at least $25,000. The buildings on a grain farm of that size would be worth at least $15,000. Most farms of that size at the moment would have anywhere from 30,000 to 40,000 bushels of grain in store on the farm. I think it would be fair if we were to estimate the value of that grain at at least $45,000. A farm of that size is only large enough for one family to operate. It cannot be divided among more than one son because then there would be two units which could not survive. These figures total somewhere between $180,000 and $200,000.

Let us also assume that some amount of debt is owing on that farm. There may be an amount of debt on the land and there is bound to be on the machinery and buildings. For the sake of argument let us say the debt amounts to $50,000 and the net taxable value is $150,000. According to the minister's tables, if the farm were to be left first to the widow and upon her death to one son the taxes would amount to $26,700. If I read the minister's tables correctly, this is less than what the tax would have been under the old estate tax provisions. But I submit that if the $26,700 has to be paid off in six years—it really amounts to five rather than six but we will take six years as the period—this means that over $4,000 per year must come out of the annual revenue of this two-section grain farm

on average land on the prairies, as payment on the estate tax.

I know many grain farmers in Saskatchewan who have anywhere from three-quarters of a section to 15 sections, but I certainly know of no one who has three sections of land or less, even if he is lucky enough to have an eight bushel quota, who has sufficient cash income in any given crop year that he can pay $4,000 from his income in one year for estate tax payments. This is why I strongly suggest to the minister that in a great many cases a period of six years is not nearly long enough. I submit that 12 or 15 years, or in the odd very rare case as much as 20 years, will need to be allowed if the minister and his laws are not to cause forced sales. I submit also that extensions and allowances of this kind should apply only as long as the family farm operation remains in direct line in that family. Immediately it is disposed of to a stranger or to some distant relative it should then become subject to the normal tax regulations.

Another reason we must ensure that no estate or inheritance tax is allowed to cause the forced sale of a family-owned and operated farm or business is that this provides an ideal hunting ground for the land hogs, and there are some of them. This provides an ideal hunting ground for the speculators, none of whom I have any sympathy for. I do not think the minister will get nearly as much in taxes as he should from operators of that kind. I have no sympathy for those who buy up farms for a hobby, for fun or as a means of evading taxes. One can go into any city in this country and its outskirts and find choice farm land which has been bought up at outrageous prices by the so-called nouveau riche, the people who operate in the oil game and the finance business. Some of these people have done well in some of the professions. They buy up property of this type for fun or for the purpose of evading taxes and as a result land prices in the rest of the area are forced up.

I have urged upon the minister some things which have been mentioned many times before by a number of speakers in this debate. This does not mean I support the kind of legislation the minister is presenting. Our amendment points this out. It may be partly due to my lack of knowledge about these subjects, but after looking at the minister's tables, reading what he has said and listening very carefully it seems to me there are too many areas in which I can find no rationale for the proper implementation of these tax measures. I just do not understand the situation when one considers the principle of applying a tax based on ability to pay and equitability. Surely the amount of relief is too high proportionately when $80,000 less tax, in the case where there is one child, is paid on an estate valued at $1 million and only $2,000 less is paid on an estate valued at $100,000. I should like to hear the minister's rationale for this. I submit that our amendment points out this kind of thing. Surely the greatest burden of payment of these taxes should fall on estates valued at $1 million or $500,000.

I mentioned earlier that I wish those who are concerned about the dangers to small family farms and small family businesses—and I quite agree there were and still are dangers—were as much or more concerned about the billions of dollars of undertaxed and untaxed income in this country. I cannot help but be suspicious of those who say we should do away with inheritance taxes. I cannot help but suspect their reasoning. I fail to understand why they would propose this move in view of the fact that it would not help small farmers and small businessmen but rather those who need help the least. This proposal flies in the face of any kind of civilized society in which all men are equal.

• (3:50 p.m.)

Until the minister and the government bring in a total reform or overhaul of the federal tax structure which is based on ability to pay and is more just and fair, I for one cannot support these pieces of legislation brought in by the minister. This is only the first of many pieces of legislation which will only fiddle with the problem. This is only one of many bits and pieces of legislation which provide crumbs to the low income people. There are one or two crumbs in this legislation now that the minister has changed his mind. This may be helpful to some small family farms or businesses, but the minister and the government are perpetuating a tax system which is, from one end to the other, unjust, inequitable and unfair. It allows too many freeloaders to have control of wealth which they have neither earned nor deserve. Over the next two or three years I hope the government will do a lot of soul-searching, stop trying to be all things to all people, and bring in genuine reform of our tax system.

When some of my hon. friends to my right talk about this measure as being socialistic I can only say: Good Lord, this is unbelievable.

They can call it a middle of the road policy if they wish because that is what the Liberals like to call it. The trouble with the middle of the road is that it is neither on the one side nor the other, and it is always in the middle of the road that most accidents occur. When accidents happen, more often than not it is the innocent who are hurt the most. I am not easily insulted, but I am insulted when someone suggests that this legislation is socialistic, particularly when it comes from members sitting to my right. It was a conservative government that made major changes to our tax laws in 1958 or 1959. They instituted estate taxes as a substitute for succession duties. It is amusing when hon. members of the official opposition say this legislation indicates the socialistic attitude of the present Liberal government. Actually they are a latter-day version of the Mackenzie King administration, and you could hardly call that administration socialistic. I believe that history will put it down as a conservative administration, and I think the present government will prove to be a duplication of it.

I support the principle of a tax on estates and inheritances, but I say that in the application of such a tax there must be exceptions and exemptions which will help to maintain socially desirable objectives in our society. No one in this house will dispute that it is socially desirable in Canada that there be a maximum number of viable family-owned and operated farm units and small businesses.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, after listening to this debate on a number of occasions it was not my intention to speak today because I felt that any contribution to be made by this party had already been made. However, there are a number of questions which I feel should be answered before this measure goes to a vote. This is my purpose in rising today.

Let me make it perfectly clear at the outset that I am not opposed to reasonable estate or inheritance taxes, but I am concerned about any legislation which attempts to reduce the future effectiveness of wholly owned farm or business units. I am concerned about what criteria will be used by his assessors in evaluating estates. Will valuations of estates in 1969 be based on today's inflated prices or on purchase prices? If a property was obtained 15, 20 or 30 years ago this might have a bearing on the eventual assessment.

I appreciate the minister's reconsideration which resulted in increasing the exemption from $20,000 to $50,000. What criteria will be used in respect of a private home, forming part of an estate, which may have been purchased five years ago with a mortgage at 6¼ per cent? Is it unreasonable to assume that today that home, with modest improvements, would be worth $5,000, $6,000 or $7,000 more than a similar home, perhaps built by the same contractor, in an urban area with a mortgage bearing interest of 9¼ per cent? What criterion is to be used? Will the assessment be based on the purchase price, the market price, the asking price, or will it be based on the municipal tax roll? I think all these things could make a difference.

Mr. Benson: Mr. Speaker, if the hon. member would like me to inform him, let me say that the value of an estate is based on fair market value at the time of death. I should point out that this is the net value after deducting any debts. In addition, the value of an estate is subject to appeal.

Mr. Skoreyko: I am glad to hear there is an opportunity for appeal. What is the situation in respect of farm land adjacent to a city which, based on its production value as a farm, might be worth $100 an acre? By the same token, in a year or two this land could be subdivided as a housing development and could be worth in excess of $1,000 an acre. How do you arrive at fair market value? I hope the assessor will not evaluate property of that kind on the basis of the developed value because that could wipe out the estate.

The same principle applies to small business. What happens in respect of a small family farm when the farmer, because of ill health, continues to live on the farm but cannot contribute manual labour and holds back one of his sons, if you like, to continue the work of developing that farm? In this situation some consideration should be given to reward. This brings me to the speech made in the house yesterday by the hon. member for Norfolk-Haldimand (Mr. Knowles), who read into the record a letter from a farmer constituent who is 48 years of age, is concerned about buying his father's farm, and is also wondering what his son will do when he passes on.

• (4:00 p.m.)

This legislation is punitive in the sense that the bill affects all existing trusts. Most trusts are irrevocable. I would like to know what law is available or is contemplated by the federal or provincial governments so that trust adjustments can be made in accordance

with the law. I would also like to know where the provinces stand in this entire picture, particularly those provinces which before October 23, 1968, relied heavily upon estate tax revenues. The estate tax is punitive because in my opinion it indeed penalizes thrift. I think it is discriminatory. I believe it discriminates against family-owned enterprises as opposed to public companies. In fact it discriminates against all those companies which are wholly family-owned.

Much has been said in the last day or two of this debate about the table made available to us by the minister. I refer to the table of deductions on estates of certain value. It is strange that most speakers have referred to item 1 on the first page of the table. This item deals with estates left outright to the widow, and on her death equally amongst her adult children where the number of children is—and then the number of children is set out. It is true that in some cases the new tax is less than it is under the existing scheme. Nobody seems to take into account or give serious consideration to estates left in trust where the income is paid to the widow during her lifetime and the assets are divided equally amongst her children on her death. The figures for Ontario perhaps do not reveal that there are very many people in this position, but I am sure hon. members will find that in other parts of Canada a great many people come under the heading of item No. 3 of the minister table. There is a direct penalty for those people who have dealt in trusts.

I read with interest the submission made by Michael B. Jameson of McCarthy and McCarthy, Toronto. I think every member of this house has received a copy of it. This submission was made before changes were made to the estate tax legislation, but it contains a number of points that I think are worth considering. The document is a quick summary of Mr. Jameson's reaction to the legislation then proposed. His first point is:

> No private executors will dare venture (into) the field of trusts, except on peril of his life, and tax.

His second point is:

> One cannot really argue with the inclusion in the tax base of gift tax paid in respect of gifts which are themselves included in aggregate net value.
>
> 3. How will existing trusts be changed if they are taxable, or will they be exempted? Most are irrevocable and can the Variation of Trusts Act be used which all provinces do not have?

[Mr. Skoreyko.]

He says in point No. 4:

> What about Alberta? Will all widows now retire there so their estates receive a 75 per cent credit or will Alberta be legislated against—since Ottawa knows best?

Then he puts forward a few more points of view and says:

> Is the motto of the future to be "Work, spend and be merry for tomorrow we give all to Ottawa", or perhaps "Widows shed your mourning and enjoy the life your husbands couldn't give you *inter vivos*"?

I think Mr. Jameson's point No. 10 is an important analysis of what the legislation could ultimately mean. He says:

> Will the will of tomorrow be made conditional upon the surviving spouse entering into a covenant to remarry within 90 days someone ten years younger, such covenant to run with the will or property in perpetuity, so that property will pass free of tax from spouse to spouse to spouse, etc., etc., etc?

As I say, Mr. Speaker, this legislation is punitive because it discriminates against the small, family-owned unit whether it be a farm, business or whatever. It discriminates against those people who have the faith to deal in trusts.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I rise to participate in this debate for two reasons. One is that the people I represent, the constituents of Red Deer, as I interpret and understand their opinions are almost unanimously against the estate tax legislation. This does not apply only to those who happen to belong to the Conservative party, for in the correspondence that has come to my hand I have found that many who support the government party reject the legislation. In fact, the opposition to the legislation is more widespread than I had realized. It is certainly more widespread than the opposition to many other pieces of legislation which are considered to be controversial. I have in my office at the present time between 1,100 and 1,200 letters. I draw to the attention of the minister that these letters were not politically solicited but were spontaneously sent by people I represent. Three-quarters of the letters are from the constituency itself, with the balance coming from across the country.

I would not be true to my responsibilities as the representative of the people of my constituency unless I expressed in the strongest possible terms the objection which I believe the average person has to this type of legislation. I am not talking about the millionaires. I address these remarks to the hon.

member for Regina-Lake Centre (Mr. Benjamin). I am not speaking about those who are wealthy or those who are above the average and are in fact well off. I am speaking about the little man who is struggling to survive on a farm or in a family business.

• (4:10 p.m.)

I am sure I am not the only member of the house who has received letters of this sort. I must, therefore, express to the minister and to the government on behalf of these people the strongest objection to the legislation. I must also speak against this legislation because of my own conviction inasmuch as I believe the principle is wrong. I do not say this because I am against the taxation of estates which are sizeable or because I favour placing any level of income of the Canadian people in a position of special privilege. Taxation is necessary as the source of income for governments. Nevertheless, it is imperative that taxation policy be equitable; it must apply to everyone on an equal basis subject to special consideration for those who have less.

Having said this, I must add that I believe the principle of this legislation to be basically wrong. It is a democratic principle—and I think most hon. members agree with this concept—that once income has paid its share of tax to the government it should be free of further tax. The development of our democratic institutions was influenced in a major fashion by people who believed in this principle. If there is within an estate income which has not paid its share of taxation, then I believe it should be taxed. But this legislation taxes in the most vicious manner those who can least afford to pay. I believe the rate of tax as it has been calculated is not basically fair. If it is to be fair, taxation should respect the estate dollar which has been saved through the thrift and hard work of those involved. It should respect savings which have already paid their share of taxation. In particular this principle should apply to those who are least able to pay.

I must express appreciation to the minister in connection with several aspects of the amendments. I believe the exemption of widows or widowers from the burden of estate tax is a correct step. In my own experience as a Member of Parliament I have encountered scores of cases where under the previous taxation policy widows had great difficulty in clearing up the estates of their deceased husbands. They were often left in difficult circumstances. The exemption now proposed is sound.

I believe the extension of the gift tax provision in the revised bill is also on the right lines. The new provision with respect to trusts is an important one and it should make estate planning much easier for families. I am glad the minister has sensed the overwhelming opposition to the decreased exemption, and that the floor has now been raised to $50,000. However, it should be pointed out that in the days when $40,000 was the figure established in this regard, the dollar was of much greater value than it is today. It seems to me that for the legislation now proposed to be sound in this respect the exemption should be raised to $80,000 or even $100,000 because of the very fact that inflation has taken away so much of the value of our currency. Consider what this means, for example, to those who seek to provide for themselves in their latter years, or to enable members of the their family to get a start in an economy in which it is increasingly difficult for young people to become established on their own. Farming is a particularly good example. Conditions today tend to pressure an increasing portion of our working population into the category of wage earners as opposed to that of legitimate entrepreneurs.

As I listened to various speakers expressing their views in this debate I was surprised at the limited logic they seemed to apply to this subject. I can understand the inclination of government supporters to defend legislation brought down by the government even though they may not have had an opportunity to offer their views or comments with regard to it before its presentation to parliament. Nevertheless, it seems to me that many statements by hon. members opposite have shown exceedingly narrow judgment with regard to this legislation, and it occurs to me that if they were really representing the opinions of their constituents, as I understand those opinions to be, they would be working to correct what I hold to be errors in the measure before us.

I do not quarrel with those who say that our tax policies should be revised. Neither do I argue with those who contend it is unfair that certain types of income should be either untaxed or undertaxed. But to be wise in our taxation policies we must protect those aspects of our economy which have made this country strong in the past and permitted it to grow more rapidly than any other in the history of western nations.

Some of the principles involved relate to the responsibility we have to family enterprise. This applies particularly to the family farm. I realize this is not a debate on agriculture so I will simply say that the strength of the agricultural industry in this country lies in the family enterprises which are at its roots. In Canada we can produce not only enough food for our own people but for a population four or five times as great. Compare this situation with that in other countries which find it extremely difficult to produce enough for their own population, and we gain an insight into the efficiency and enterprise of Canadian agriculture.

At the heart of our agricultural industry is the family farm. We should not act in such a way as to destroy it. We want it to grow. At the heart of our commercial operations domestically in this country is the family business enterprise. I am willing to concede that the trend is for such enterprises to become larger in order to survive Yet the basic principle is still of the utmost importance to our country. Instead of weakening or destroying this kind of enterprise we should be strengthening it. I can understand why so many Canadian farmers and businessmen are protesting against this bill. I can understand why I have received such a large volume of mail with regard to it, not just individual letters but petitions signed by as many as 200 or 300 people.

One aspect of the family farm situation is that many a son has worked and laboured as part of a unit, developing a family farm together, without having been adequately repaid in terms of salary or remuneration. His return has been the prospect of a share in that family farm unit. When his father passes it on to him, either at the time of his father's death or before, the father is not passing on something that belongs only to himself but belongs actually to the family. I suggest that our estate taxation must take cognizance of that circumstance.

• (4:20 p.m.)

It is impossible today for young men to accumulate sufficient capital so they can start from scratch to shape an economic unit in the farming industry. It is only as they are able to participate in the family farm, with the continuity this provides, that they can take their place in that family farm unit. Therefore I believe that the family farm and the family business deserve greater financial exemption than that provided by the proposed estate tax.

[Mr. Thompson (Red Deer).]

The provision of five years in which to make six payments of estate tax is all to the good but in many cases, particularly if the market value of the family farm or family business goes up in proportion to the inflationary trend in our economy, this period will not be long enough. It will be necessary under this legislation for those who inherit a family enterprise to sell part of it in order to get enough money to pay the tax, and this I suggest is completely wrong.

I am also concerned about the effect that this tax will have on incentive. Many a father of 50, 55 or 60 years of age will think that under this legislation there is no real point in his continuing to work and labour to develop further his family farm for his children, that he may as well sell it, let it move into the realm of corporate farming, take the proceeds and live a little easier than he has hitherto.

There is also the danger that those who are not part of private enterprise, be it farm or business, will say that these people must take their chance along with those who are wage earners. I suggest that if one were to calculate the amount of wages earned by people who work on family farm units or who own or participate as a member of a family in a family business, one would find they receive far less than the minimum wage in return for their labours. There is a general tendency to look upon the farming community as being wealthy, but when considered in terms of hours of work for pay received I suggest it is not a highly paid calling. Therefore, for this reason as well I think consideration must be given to this fact in our estate tax policies.

This is why the province of Alberta has decided to refund its portion of the estate tax, and this has worked very beneficially for the people of Alberta. Not only has it helped the family farm unit and the private businessman; it has also drawn a lot of capital into the province that is needed by the province further to develop its resources. It has proven to be a very commendable policy. So commendable has it been in its results that the legislature of the province of Saskatchewan now has legislation on its order paper to do the same thing.

I would ask the members of this government who have raved about the tremendous benefits to be gained from this legislation to go to Saskatchewan and ask members of their own party why they feel it is necessary to adopt a similar policy to that adopted a year or two ago in Alberta. They are doing so because they realize that even under the old legislation an inequitable situation existed as

far as farmers and private businessmen were concerned, and that it should be corrected. They have been unable to convince the federal government that it should change its policy in this regard, but they have moved to take care of this matter as far as the province is able to do so within the limitations of federal estate tax policy. This is why the province of Saskatchewan is now going to do the same thing.

Another aspect of the benefits that have accrued from this type of policy, as I have observed them, is that there is a greater incentive to put the savings and capital of Canadians to work in Canada. I am reminded of the fact—I mentioned this to some of my friends to my left and some of those in the government—that the total savings of the Canadian people in 1968 amounted to approximately $1,300 million. Out of those total savings over $600 million went to the United States alone in the form of U.S. stocks and bonds. In addition, a great deal of the remainder went out of the country altogether.

If I interpret correctly what is going to happen as a result of the estate tax bill that is before us now, more Canadian capital will be driven out of the country. One of our greatest needs today is capital. There may come a day when the estate tax policy will have to be changed, when greater heed will have to be paid to making sure that untaxed or undertaxed capital is taxed more effectively than it has been. But I do not think that day has yet come. In fact, I do not think we can afford this kind of taxation policy. We need desperately to convince the Canadian people that their savings should be reinvested in the development of Canadian resources.

It is difficult for the economy in a country such as Canada to generate enough capital to develop our resources adequately at a pace that will keep up with trade and developing economies across the world. Why further weaken our position by bringing in tax policies that drive capital out of Canada instead of encouraging capital investment in this country? As I say, this is one of the great dangers of this type of taxation policy, over and above whatever effect it may have upon family farms and family businesses. It discourages incentive on the one hand, and the retention of capital in Canada for investment purposes on the other hand. I am not the only one who holds this view; authorities all across the country who are specialists in the taxation field are saying this. The only thing is that the minister does not seem to hear.

May I summarize briefly my opposition to this tax bill under a number of logical headings. First of all, I believe it discriminates against family enterprises, be they agricultural or business.

Second, I believe that the rate of taxation provided for in this measure is discriminatory. I believe that it affects those who can the least afford to pay and it lets off those who are better able to pay, those who have a lesser load.

I also believe it discourages incentive. It discourages the head of the family from trying to build a family enterprise, be it farm or business. I believe that it discourages incentive even for those on a higher level of income so far as developing our resources, commerce and trade are concerned. I believe it will be detrimental to our own capital needs in that it will drive capital out of this country into foreign investment portfolios.

There may be other reasons for my opposition to this measure but these are the most important. I urge the minister and the members of the government, some of whom have painted this measure as a great step forward in the development of an equitable tax policy, to think about these things. They are only looking at one side of the picture. Hon. members on the government side will suffer as much as hon. members on the opposition side if the present measure is adopted.

• (4:30 p.m.)

On behalf of the people of my riding and of Canada I urge the government to put no impediment in the way of those who wish to prosper. It is important that enterprises in this country be successful and those undertaking enterprises ought to be encouraged and not discouraged in their endeavours. The government ought to adopt tax policies that will help this nation to grow and become what we wish it to become.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise reluctantly to take part in this debate since, under the new rules, any debate seems superfluous. I think all hon. members know what an hon. member of the Liberal party confessed in a letter read in the house earlier. Government supporters have been instructed to go to committees and, no matter what is in a bill, to take the pill, so to speak.

Some hon. Members: Shame.

Mr. Woolliams: Government supporters are told to introduce no changes to bills. If

opposition members ask questions, those questions are to be sidetracked. Wherever possible, amendments are to be ignored.

Some hon. Members: Shame.

Mr. Woolliams: I see hon. members smiling. They may say, "Oh, but these new rules will help us to get on with the job." We shall soon find out what sort of job is being done when we examine the provisions of this bill.

I am reluctant to take part in this debate because I am reluctant to play games. That is all debates in this chamber are now—games. No matter whether hon. members are talking on second reading or third reading, they are indulging in games and wasting their time. Their speeches are exercises in publicity because this chamber has become a forum of publicity. Under the old rules, when the house went into committee of the whole the opposition proposed useful amendments, some of which were accepted. I remember when Judy LaMarsh was in opposition. She proposed an amendment in committee of the whole with respect to a bill to amend the Criminal Code. The Minister of Justice of that day, Mr. Fulton, accepted the amendment which had the effect of giving protection to every policeman in Canada. That does not happen under the new rules because now we play games. I might spend hours preparing an important speech or spend no time on it at all. It makes no difference in this factory created by the Liberal party.

I know the new members are not happy with what is going on. If they do not know what is happening, it will not take them long to learn.

Mr. Whicher: Mr. Speaker, I rise on a point of personal privilege. I have listened most attentively to the hon. member and, as I recall, he said all members of the Liberal party received certain instructions. I am a Liberal party member and I have received no instructions from any member of the government. If I had received such instructions I would not have obeyed them, because I was sent here to do a job and I intend to do it.

Some hon. Members: Hear, hear.

Mr. Whicher: Furthermore, I know of no Liberal member who received instructions similar to those contained in the letter that was read earlier. In my opinion the writer of that letter should be brought to task—and I point out that here I am speaking strictly for myself.

[Mr. Woolliams.]

Mr. Woolliams: I am happy to hear from the hon. member for Bruce (Mr. Whicher). He is breaking in a new set of harness and likes to look important. May I point out that another Liberal member has admitted that such instructions have been given.

An hon. Member: Name him.

Mr. Woolliams: I see the hon. member carrying on as he does in committee. I think we all know what has been happening under the new rules. Actually I am disappointed at the calibre of debate. Anyone reading *Hansard* will concede that about the best speech made on Bill C-165 was made by my leader during the early stage of debate. When the budget was originally brought down he put his finger on the problem many hon. members have referred to. The hon. member for Red Deer (Mr. Thompson) spoke eloquently this afternoon about that problem.

Unintentionally the minister left with the house a wrong impression with respect to the floor of the new exemptions. Newspaper reports may be partly to blame for this erroneous impression. Also unintentionally, the minister misrepresented the change made with respect to tax liability under the increased progressive rates.

An hon. Member: Shame.

Another hon. Member: Which side of the fence are you on?

Mr. Woolliams: I see hon. members are beginning to heckle. May I say to the hon. member who has just interrupted that I intend to send copies of *Hansard* to his riding so that his constituents will know what sort of member represents them. I do not think the hon. member's constituents sent him here to heckle. They sent him to get on with the business of the country and not to talk a whole lot of tommyrot.

At the outset the minister left the impression that the basic exemption had been increased to $50,000. From my reading of the bill it seems that estates worth $50,000 and less are not taxable. Nevertheless, all estates worth more than $50,000 have a basic exemption of $20,000 plus certain other exemptions included in this bill. The minister's remarks seemed to imply that the basic exemption for all estates was $50,000 and therein, I submit, lay the misrepresentation. In part, articles like the following one which appeared in *Time* magazine of February 7 may be responsible

for existing misconceptions. The article in question says in part:

Benson restored the rule that estates of $50,000 would remain tax-exempt—

The idea is that a person with an estate of $100,000 enjoys an exemption on the first $50,000. I do not think that is correct.

Mr. Benson: A person may have an exemption on an estate worth $100,000.

Mr. Woolliams: That is possible, and I will deal with that point. But a man might have an estate of $51,000. On that he enjoys an exemption of $20,000 and has to pay tax on the other $31,000.

Mr. Benson: I never said the absolute exemption was $50,000.

Mr. Woolliams: I do not suggest the minister did. I can only suggest that those reporting the minister's remarks misunderstood him. You know, Mr. Speaker, this bill reminds me of a little story. One day Robert Browning wrote a poem. Next day he went to visit Elizabeth Barrett Browning, who was sick, and after he read the poem to her she said, "But what does it mean?" He looked at it and walked round the room. Then he said, "You know, when I wrote that poem only God and I knew what it meant. Now, I confess, only God knows what it means." I agree that the minister did not intentionally leave wrong impressions about the provisions of the bill. The press misquoted him or misinterpreted his remarks.

• (4:40 p.m.)

I quote again from *Time* magazine:

Benson restored the rule that estates of $50,000 would remain tax-exempt, and proposed to allow heirs to stretch out tax payments over five years. Meanwhile . . . Canadians will have an adequate chance to change their wills—

The situation was reported to Canadians in that way by the skilled writers of *Time*, a magazine that deprives our Post Office Department of $700,000 annually. The minister and I are on all fours. There is no $50,000 exemption. If an estate is valued at $51,000 there is a $20,000 exemption and tax is paid on the balance of $31,000. The minister and I both know that is the situation, but it is misunderstood by the public.

As I read the bill, estates under $50,000 are not taxable but estates over $50,000 may have a basic exemption of $20,000, plus additional exemptions depending on the category of the person to whom the property is left. A child inheriting property at the age of one year has a different exemption than a person inheriting property at the age of 24 years. As an example, if A leaves B an estate of $60,000, under the proposed new act the basic exemption is not $50,000 but may be $20,000. The rate applies to $40,000 and not $10,000. Let me repeat there is no $50,000 exemption provided for in this bill.

In a speech last night an hon. member spoke about homework. I would like him to listen to what I have to say and then perhaps he will do a little more homework. Many people believe the basic exemption will be $50,000, and I will quote examples of this in a few minutes. Before doing so I want to make some general comments regarding the effect of a progressive increase in rates on property passing from husband to wife and wife to children. If Bill C-165 becomes law, it will have a serious effect on second generation Canadians. In other words, when a husband leaves property to his wife and the wife in turn leaves it to the children, it is the children who will suffer.

In western Canada today there are many Canadians who originally came from Ontario and Quebec. These people had to tolerate a cold climate and terrible conditions in order to have grain to take to the elevators. They worked under these conditions in order to build an estate for their families to enjoy. They certainly did not work under these conditions in order to lose it in a socialistic and communistic manner as this government is now proposing.

Today farms are more valuable than 20 years ago. Farms in Manitoba, Alberta and Saskatchewan are worth $125, $150 and in some cases $200 per acre. These estates have increased in value through inflation. The government has been aggravating and stimulating inflation since it was elected in 1963. The government has not done anything to control the situation. All it believes in is spending money to buy votes. The motive behind this inflation has been to inflate the value of property to over $300,000, and when the person is deceased the government then receives half of his estate. At the cost of farm land and equipment today it does not take very much to build up an estate of this value.

The hon. member for Regina-Lake Centre (Mr. Benjamin), a spokesman for the New Democratic Party, stated that the Carter commission report was like the Bible to a Christian. On the death of a farmer his son is in a strait-jacket because of provincial legislation.

The legislation states that a farm mortgage cannot be foreclosed without the consent of the court, so he is unable to obtain a loan in western Canada. The result is these farms and ranches must be sold.

A member of the other place, Senator Hazen Argue, in quoting a Saskatchewan commission stated that 24 per cent of the large farms in the Regina plains were owned by United States syndicates. Some cabinet ministers agree with the Watkins report that United States capital must not be encouraged. However, under this new legislation when sons inherit a farm they will have no choice but to sell to United States syndicates. It is in this manner the family farm will be affected. It is in this manner the family business will be affected.

Some politicians have been peddling the philosophy of the Carter commission like that other Carter peddles his liver pills. The farmers, ranchers, small businessmen and salaried men who have taken care to build up investments so that their children will have a good start in life would all suffer if the recommendations of the Carter commission were implemented. The recommendations I refer to are to be found on pages 472 to 490, volume 3 of the report. If time permits I will show that the gift provisions of this new legislation have "out-Cartered Carter". The proposed act will replace the Estate Tax Act of January 1, 1959. The act of 1959 replaced the Dominion Succession Duty Act which had been in force since 1941.

During the last election campaign members of the N.D.P. told the farmers across western Canada that the Carter commission report was the greatest thing since Carter invented a pill. These same members said, "We are for the farmers. It is those rich beggars in the city who are stealing all the money. They are making all the millions." I hope these socialists never return to the farm belts and compare the Carter commission report to Carter and his pills.

• (4:50 p.m.)

I heard M. J. Coldwell speak on many platforms when I was taken to election meetings by my father. He talked about every farm in western Canada having a mortgage and implied that the government might as well own them anyway. I cannot see that the N.D.P. has changed a lot since the Regina manifesto was published. Incidentally, it has always puzzled me why it is called the Regina manifesto. It was created in the Palliser Hotel in Calgary. My hon. friend from Regina-Lake Centre knows something about Calgary because he married a Calgary girl.

Let us see what Carter had to say:

> In appraising the present system, it is also useful to compare the level of estate taxes in Canada to those applicable in the United Kingdom and the United States. Table 17-1 indicates, for estates of certain sizes, what the tax impact is in each jurisdiction. The figures for Canada and the United States are to some extent understated, as non-creditable provincial and state taxes are not taken into consideration.

That is the level existing before we implement this bill, which will go through the committee with the proper instructions.

> It is evident that the present level of estate tax in Canada is substantially less than that applicable in the United Kingdom, but, except for very large estates, is greater than that applicable in the United States. In particular, the United States tax is subsantially lower on that portion of the estate passing to the widow.

In other words, Carter's first point is that Great Britain has a higher tax than Canada and the United States has a lower tax. Why should we have the same tax as Great Britain? This is a land of resources. We have our mines, our factories, our farm lands. We have our cattle which come off the grass of Alberta, the grass of Saskatchewan and Manitoba. Those resources properly developed increase the gross national product of this nation and provide the revenue to give the Canadian people the services they demand.

If the government takes the capital away from sons who have the know-how, how will Canadians get the capital to develop their ranches, mines, cattle and other industries? Great Britain in former years had a different type of economy. It was an island that brought in cheap raw materials from the colonies, processed those materials and exported the finished products to other markets. Why should we pay the same high taxes as Great Britain, particularly when we want to develop the northern part of our nation, and when we have the vision to develop ideas and the initiative to carry them out? This is the kind of society I live in. At least it is the kind of society I have always thought I lived in. People have been free in this country to invest their capital. That is why people who had initiative left the east and went west.

Again returning to the Carter report, I quote from the third volume, and I hope that members of the N.D.P. never go out and say this to the farmers, even to collect votes, because things like this excite the farmers:

> Despite our inability to find support for this alleged unfortunate incidence of estate taxes, it

appears reasonable to conclude that taxation imposed on the value of a business will in some instances influence the owner to sell part, or all, of the business. It is highly unlikely that sales of businesses will result from one motive only, and if estate tax is a contributing factor its impact will vary in each instance. However, assuming the extreme position where a business is sold only to meet taxes, the result of the sale may in economic terms be good or bad depending on whether or not it advances the future prospects of the company.

He says the same thing about farms. I am speaking of this great socializer, Carter. This is the bible that the N.D.P. go out and campaign on. This is the great line, the cruncher:

There is little evidence to support the position that businesses tend to prosper to a greater extent because they remain in the same family.

In other words, Carter asked why farms should be passed on to families, why businesses should be passed on to families. In his view they might be better off in the hands of strangers; it might be better to drive sons off the farm. Did the N.D.P. say that in Saskatchewan when it was winning farm seats there? I don't think so. Did the N.D.P. say this to small business? No one operates a business of any size in Canada today under a quarter of a million dollars. That is peanuts following the inflationary period through which we have been passing. Carter recommends that—

Mr. Thomson (Battleford-Kindersley): On a point of order, Mr. Speaker, and just to keep the record straight, may I ask the hon. member whether it was not the right hon. gentleman from Prince Albert, when he was prime minister, who inaugurated the Carter tax study?

Mr. Woolliams: I am quite prepared to say he did not write the report. Mr. Fleming appointed Mr. Carter and I said to Mr. Fleming, and I think Mr. Fleming admitted it himself, that it was a great mistake. Carter was told to look at changes in the estate tax and income tax. He was not told to bring in a socialistic bible. Anyway, Mr. Speaker, I do not have to live with the sins of the Diefenbaker cabinet. I never was graced by that opportunity.

These recommendations are like Carter's little liver pills, and I do not think my hon. friend should recommend them to the farmers. I think he is too intelligent to do that. I want the farmers of Saskatchewan to know what they were voting for, particularly in those areas that went socialist. Coming from one of those belts I have never understood how they could be socialist. If the people in those areas are not capitalists there are no capitalists in Canada.

The hon. member for Saskatoon-Biggar (Mr. Gleave) does not like it when he hears talk about socializing farms. If one is attempting to win farmers' votes then I must agree with him. You must ask, does it affect my little old pocketbook and my little old ballot box, when you are running to be a member of parliament.

To return to my quotation from the Carter Commission report:

It is not the purpose of the tax system to cause businesses to be sold or to protect them from sale. Taxation should be levied in the most neutral manner possible. However, this does not mean that if a taxpayer elects to place his resources in such a way that they are not readily realizeable, he should secure a tax preference over other taxpayers with liquid assets.

In other words, Carter says that if the estate tax, or this new tax bill which has out-Cartered Carter, makes a farmer sell his holdings, or a businessman sell his business, or a family sell its shares in a big industry that it controls, so what? Let these assets fall into a stranger's hands. If the grandfather went to great pains to build up a business or an industry, to create something for his heirs, let it be destroyed. There is only one system like that in the world.

If this proposed change is adopted we may destroy the small businesses of Canada, the farmers and the ranchers. Even those salaried people like deputy ministers, who probably get around $45,000 a year and put their money in investments, or who buy into a company when they retire, will not be able to pass the benefits on to their sons. Yet Carter says this is all right.

The T. Eaton Company is one of the richest family controlled enterprises in Canada. Grandfather Eaton did more to develop the west than any other living industrialist in Canada. He brought supplies to the farmers through his catalogues. The tragedy of the situation is that through legislation like this we may force the grandson to sell the business to Americans, or have the state take it over.

Speaking in Weyburn the Prime Minister (Mr. Trudeau) said that inefficient farmers have to go. I have a clipping of his speech in my possession. I was quite surprised to read that.

I say to the members of this House of Commons that the situation in Canada is far different from that in Great Britain. We are a country that needs capital in the hands of

individuals who have the know-how, the initiative, the creativity and the daring to develop the resources of this land which are in abundance north, south, west and east. This is also important in the oil industry. In Britain their economic development came about by processing raw material bought throughout the world at a cheap price and processed and sold as finished products in a captive market. In Canada, on the other hand, we have the raw materials. What we need is capital left in the hands of individuals to process our own raw materials into finished products so that we will own our own industries and have jobs for Canadians. I say jobs for all Canadians. As I said once in Drumheller, when the coal mines are broke the miners are out of work.

• (5:00 p.m.)

Only through production and trade will the gross national product grow so that this great country can afford the services that our people demand and maintain equality by the implementation and promotion of the same. If the Canadian government by increasing the estate tax and reducing the exemptions skims off the cream of the capital as it is doing by this new bill, the United States will own more of our industries than they do today. Out goes the Watkins report. Carter said: Tax the people and give them services. The N.D.P. always talks about the Scandinavian countries. When I was in Denmark and spoke to the taxi drivers they said there was no opportunity there.

More businesses, more farms, more ranches, more mines, more industrial concerns will fall on the auction block and be sold to United States interests. I do not have the figures but, as I have said, many farms in Saskatchewan, Manitoba and Alberta are owned by United States interests. Carter says, if you have to sell the farm, the ranch, or the small business to pay high estate taxes, so what? His suggestion is, sell it, get rid of the people.

In order to have an efficient farm, ranch or small business today you must have an investment of at least $250,000. That does not frighten me. The price of land in the rural areas and indeed the price of land in cities plus the price of equipment in business or agriculture will verify my statement.

Now let us take a look at some figures. I want to put these on the record because some phases of this bill have been misrepresented. Let us take an estate valued at $100,000 which is to be left to two sons 25 years of age. Do not ask me what would happen if their ages are between one and 25; it would take a computer to figure it out. On a $100,000 estate, under the proposed tax the amount would be $8,700. On a $150,000 estate the amount is $21,000. On a $200,000 estate it is $36,200. On a $300,000 estate it is $75,700. This is a 25 per cent increase over the former rate. On a $500,000 estate it is $174,200, an increase of 40 per cent. On a $750,000 estate it is $299,200, an increase of 40 per cent. On an estate of $1 million it is $424,200, an increase of 35 per cent. In any small industry in ordinary business circles $1 million is not much. If you have a printing press in the city of Calgary or Toronto with a $1 million investment it is not a big enterprise any more.

An hon. Member: What's a million?

Mr. Woolliams: I am glad a Liberal yelled that. That is what C. D. Howe said. But the tax you pay is $424,000. By this bill the capital is being skimmed off so that the sons will have to borrow money in this competitive world where one has to deal with unions and make adjustments in respect of labour. I am not complaining about that. However, it is difficult to survive. These figures do not tell the whole story. If a husband's estate is $200,000 and the wife has inherited $20,000 during her lifetime, say from her father, and she wants to keep her inheritance in her family the rate of taxation on her estate will be on the combined amount of $220,000. It cannot be 100 per cent. The Minister of Finance (Mr. Benson) is so kind that he says that when they get that grabby they will only collect 50 per cent.

The minister's computers will be kept busy recording social security numbers so that no one can escape the social security axe. When the social security cards came in we were told they did not mean anything. Now the number is put in a machine. Judy LaMarsh admitted in her book that she had enumerated every Canadian by a number. This is the social welfare prison in which we now find ourselves, and this is endorsed by our good friends. Time does not permit me to go into all husband and wife trust conditions, but one thing is sure. The Carter family unit pill has now been handed to every Canadian and this government has told the people to swallow it. It is the castor oil treatment: Open your mouth and we will give you the medicine that is good for you.

Under the bill the exemption for children inheriting property progressively becomes

less from age one to age five. At age one I believe it starts out at $35,000 and at age 25 it is reduced to $25,000. It is in respect of the gift tax that they have really taken the bite. Under the old act you could make on $4,000 gift or you had a means by which you could make a gift exempt from tax of half the difference between your total taxable income and your tax. For example, if your taxable income was $35,000 and your income tax was $12,000 the difference was $23,000 and therefore you could make a gift of $11,500. You could make a gift of $11,500 if you earned $35,000 in that year and your tax was on that basis. You could also make during your lifetime one gift of $10,000. We know about the agreement between father and son. The father would sell the son the farm, the son would pay $4,000 per year and there would be a gift of $4,000. That is how they gifted away the homestead so that the son could obtain title to it and be able to operate it.

Today the ceiling on gifts if $2,000 and they are cumulative. For example, if you have a $300,000 estate when you die and have made gifts totalling $125,000 you will pay a tax on a total estate of $425,000. Then you work out the difference between a high and a low, whatever that means. Do not ask me to explain this because only God understands it now, but some experts will perhaps work it out. The gift tax is added to the estate so you pay a tax even on the gift tax. The minister shakes his head. I cannot tell you the name of the man who gave me this information, but he is the head of one of the trust companies in this land. If I am challenged I will give his name. I see my farm friend shake his head. He is an expert. I am not; I sought knowledge.

We all know that reasonable taxes must be paid but high progressive death taxes spell the death knell in respect of children inheriting enough money to develop the resources of this nation. What is the difference between this system and a socialistic state whether it exists in the U.S.S.R. or anywhere else in the world? I heard the leader of the N.D.P. say during the rules debate that there are two ways to arrive at a totalitarian state. One is by revolution—and they are even trying that in this country—and the other is by the subtle method. He mentioned that he met the Prime Minister at a political meeting a number of years ago and said that the Prime Minister is never at a loss for a word or leaves one out and does not intend to. He said that he thought he was using the subtle method to take over this country. This is another method by which you take over farms. It is not the method used in Russia. It is done here by taxation.

• (5:10 p.m.)

I have two or three more comments to make. I was very impressed with the federal-provincial conference for this reason. The federal government has been implementing tax legislation in fields exclusively delegated to the provinces. We have observed federally implemented taxes in those fields as a way of changing the constitution without consent and without amendment to the constitution. I have not time to read the entire section, but section 92 of the British North America Act covers those things which fall within provincial jurisdiction, and medicare is one.

Perhaps I should not say that medicare falls exclusively within provincial jurisdiction, but this is one field in which the federal government has legislated. They gave the provinces the pill and then said, we will negotiate. The government suggested it would consult with the provinces only after they had the pill in their systems. In other words, you do not see the doctor first. You take the pill first and then see the doctor. That is co-operative federalism. That is what the government is doing when it legislates in provincial fields.

Some people ask, why should we care when 75 per cent of the money goes back to the provinces? The deputy premier of Saskatchewan, Mr. Steuart, said they did not want this kind of legislation. The federal government should stay out of provincial fields. The Prime Minister suggested that he wanted the nation to stay out of bedrooms. We want a strong central government, but if that government intends to survive it must stay out of provincial fields.

We must remember that in the long run it is the citizen who pays. He is the one who puts out from his pocket both for provincial and federal schemes. Consultation with the provinces after implementation is like giving the patient the disease first and supplying the pill and the water later.

The N.D.P. members make promises about the implementation of the Carter commission report in respect of farmers and businesses. They cannot see why anyone would object to this bill except that the voters might see through the bride's negligee. That is what might happen and they are frightened. Never was there such a deception—

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired unless there is the unanimous consent of the house to allow him to continue.

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Speaker, I can conclude my remarks within two minutes. There never was such a deception. I grew up with the party in Saskatchewan. It has been a great party of reform in many ways. They went into Saskatchewan to defeat the Liberal and Conservative members and to bring about reform, but when they told the western farmer that the Carter commission recommendations should be implemented because it would take money from the millionaires and leave it to the farmers' sons they did not tell the truth. Many of their candidates were told this through the literature sent out by their headquarters. They did not even know the colour of the covers on the Carter commission report.

I hope I receive good good news coverage on what I have said today. Perhaps I am being selfish, but almost every farmer subscribes to the *Western Producer* which is financed by the Saskatchewan Wheat Pool. This is the main publication that the western farmer reads, and it is in effect put out by the farmers' co-operative, the Saskatchewan Wheat Pool. I hope my remarks will be printed in that publication in order that the farmers of Saskatchewan will know that what the N.D.P. has told them is untrue. They had better look out because their sons will lose the farms. I am sorry for the Liberals because they have tried to out-socialize the N.D.P. There are many Liberals sitting over there who are true Liberals, and I am sure they must feel very uncomfortable.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am a little hesitant to speak at this time because I am afraid the contrast between the previous speaker and myself will be so great that some hon. members may fall asleep. In any event I should like to make a few comments about this tax proposal which has aroused a great deal of controversy across the country.

The most controversial aspect of the new tax proposal by the Minister of Finance (Mr. Benson) seems to be in relation to estate and gift taxes. Tax is eliminated under the new proposal when an estate is passed from the husband to the wife or the wife to the husband, but the rate of taxation is increased drastically when the estate is passed to a daughter or a son. I heard one government member state: We will get our money a little later, but we will get more of it so we do not mind waiting. Surely this is true.

I think it is fair to say that this tax proposal has caused great consternation throughout the country, and that the government has received more protest mail than in respect of any other matter before the house, including the abortion bill. Any time that legislation is brought forward and creates so much controversy, there must be something wrong with it. Let me refer to a letter I received from the president of the Investment Dealers' Association, Toronto. He stated:

> This legislation, if implemented, will, in our view, seriously reduce the amount of capital available for Canada's future development and will unfavourably affect the ownership of Canadian industry by Canadians. Clearly, any diminution in the flow of capital investment will reduce the employment opportunities available to our expanding labour force.
>
> We urge that no action should be taken on the proposals until their full implications are analysed and assessed.

The Ontario Economic Council in its report on transfer taxes, their effect on productivity and control of our economy, had this to say:

> Learned critics over many years have debated the pros and cons of transfer taxes. Such critics have almost invariably been men of law concerned primarily with the justice or impartiality represented rather than with economic consequences.
>
> Undue concentration of wealth resulting from a complete absence of transfer taxes tends to destroy incentives which contribute to productivity.
>
> Over-imposition of transfer taxes, on the other hand, has the same effect—

That is what is happening here. The report continues:

> —not only by reducing the national urge to save and build, but by contributing to the loss of control of the nation's material resources.
>
> Obviously there must be a mid-position. What is it and how closely do our practices approach it?

Under the old taxation system, in the happy days of yore, if one's estate was $40,000 or less no estate taxes were paid. After the estate size reached $1,500,000, one entered the 50 per cent estate tax bracket and 54 per cent was paid on everything above $2 million. Those were the ranges. Under the present system the exemption is prescribed as $50,000 and, as the previous speaker mentioned, if the estate happens to be larger than that taxation begins at $20,000.

I feel rather critical of the minister on this point in that it seems to me the public was

misled in some way into thinking they were actually getting an exemption of $50,000. The tax on the remainder is increased to a point where an estate worth $300,000 will be taxed to the extent of 50 per cent of the value. Such a tax in practical terms means confiscation of half the assets of the estate. Since very few heirs can finance such a tax and a farming operation as well, especially if there are brothers and sisters who want immediate cash for their share of the estate, the family farm is in danger. Farmers and farm leaders across the nation are very upset about this situation. The ultimate effect may be the wiping out of the family farm. The immediate effect could be the wiping out of the incentive to build up a family estate since, in the long run, it cannot be kept in the family anyway and nobody really wants to labour into his old age for the benefit of the tax collector.

One of the farmers who communicated with me had this to say:

I believe in keeping the family farm in existence. In my opinion the corporate farms, especially when financed by huge feed companies, oil companies, and other such giants are the ones which should be taxed a greater percentage as these will surely destroy the family farms.

These are the organizations which will be taxed less under this proposal. They were taxed to the extent of 54 per cent and will now be taxed to the extent of 50 per cent. This farmer goes on to state:

If farms are kept at a reasonable size more people could earn a living at it and prices might be more favourable. I would like to see governments encourage small operators, not force them to quit, so that they can join the already unemployed.

• (5:20 p.m.)

He goes on to say:

If the present trend continues in regard to larger and larger farms, it will mean more unemployed, more housing problems, more ghost towns. What will become of places which depend on the local farmers for existence? Bonnyville, with a population of over 2,000, is an example—

That is a town in my riding.

—of a town depending on local farmers. There is no industry other than farming to keep this town going. Where would all these people go if there were only a few farmers farming the whole municipal district?

The family farm should be preserved. It is the foundation of Canadian agriculture. It is one of the essential components of Canadian society, and it could surely be destroyed in one short generation if this new tax went unchallenged. I would like to quote from another letter I received from a farmer in the riding. He expresses opinions which summarize pretty well most of the communications I have received. He says:

I am writing to inform you of my strong disapproval of your proposed new Estate Tax Act as it applies to the smaller estates, and farms in particular—

The farms in our area operate as economic units largely because of the good management practices of the owners. If land, cattle or other assets had to be sacrificed in order to pay high estate taxes, the result could mean the dispersal of the entire estate. I consider this to be unfair, especially when the majority of heirs will have spent a good part of their lives helping their father (or mother) to operate and build up the family farm.

The hon. member for Provencher (Mr. Smerchanski) last night said that under this new proposal even less tax will be paid if proper planning is used. I think this farmer was able to forecast that statement, because he went on to say:

If the owner could be assured of living to a specified age, he or she could make arrangements for the disposal of the farm to the heirs, but as is all too often the case, he or she can die suddenly while still owner. The heirs can then be left with the necessity of having to forfeit the greater part of the source of livelihood in order to pay this estate tax.

All too often the purchasers of these bargains are "big business" operations. I feel that this new tax will eliminate the family farm as a way of life for those of us who take pride in being independent and self-supporting. There are already too many cogs in the wheels of labour whose only incentive to work is to get a chance at drawing an unemployment cheque. We are people and individuals, not just statistics punched out on a computer card.

This fairly adequately summarizes the feelings in my constituency and, I think it is fair to say, those in all the west and possibly the east as well. I see this tax proposal as simply another step by the government to erode the freedom of the individual. This government seems to be obsessed with compulsion. Its history since 1963 has been to bring in a compulsory pension plan, compulsory medicare and a Criminal Code bill which includes so many clauses, so many different subjects, that it is impossible to feel that you have the freedom to discuss each one and vote on it individually according to your desires.

Having listened to some government members who have spoken on this bill, it seems that what used to be considered a good trait or reasonable trait is now something of which to be ashamed. I am talking about personal ambition and initiative to build up an estate. I do not think it is a shameful thing for a farmer or any businessman to want to build up an estate and provide security for

his family. The hon. member for Provencher spoke about planning estate tax payments, and so on. He made some comments which I think are very interesting. I would like to quote one of them:

> No matter how you slice it, it ends up as a tax bait to the federal government.

That sounds a little paradoxical when compared with the general tenor of the hon. member's speech, but that is one of his statements. The hon. member for Coast Chilcotin (Mr. St. Pierre) spoke like a Conservative for most of his speech except for the last portion, and I should like to quote some parts of it. He said at one stage:

> I now wish to speak about the new estate tax being applied to a $100,000 estate. I wish to take the case in which the tax bears most heavily, the case where the estate is left outright by a widower to one son, and not to two or three. Under the present law that son will pay $10,200 in estate tax. Under the proposed law he would pay $13,200, an increase of $3,000, which is considerable and which threatens the existence of the family farm.

Government members should take this into account. The hon. member for Coast Chilcotin also said:

> It seems the state not only has the right to impose estate taxes, but in my opinion it has a duty. The alternative is very clear. Unless estate taxes are used to prevent the pyramiding of family wealth, then it must follow we are going to move increasingly into a hereditary aristocracy of wealth in this country. It will not be basically from a titled aristocracy. It will gain power in the nation's political affairs by virtue of birth rather than by virtue of individual worth. I am convinced that this or any other form of class system is bad for Canada.

I disagree that keeping a certain amount of an estate in the family is bad for the family. I think it is in fact good for Canada. I suggest that the minister reconsider some of his proposals in this vein. I believe that more consideration should and must be given to farmers' sons and daughters and to the sons and daughters of small businessmen, because in most cases they have spent many years working hand in hand with their parents building up the family farm and should therefore be entitled to a better deal than seems to be in the making at the present time.

Mr. A. D. Hales (Wellington): Mr. Speaker, I do not wish to belabour the debate but there are a few things I would like to say in connection with the proposed changes to the Estate Tax Act. The first thing I would like to say is that I am very surprised at the lack of judgment and foresight displayed by the

Minister of Finance (Mr. Benson). Surely a minister of his experience and background, a man who has been an accountant and auditor, should have foreseen the uproar that these tax changes would bring about. He should also have appreciated the need for precision and certainly in our tax laws. I cannot for the life of me understand how he made such a blunder in setting forth these proposed changes to the act.

I congratulate the minister, though, for one or two things in this bill. I may be a little selfish in my first congratulation to him. In December of 1963, about six years ago, I introduced in this house a private member's resolution suggesting that the Liberal government of the day take note of the situation whereby succession duties were payable within six months from the time of death. In the odd case they did give, at the discretion of the minister, an extension for the payment of these duties, but they were very rare. Succession duties had to be paid in cash within six months. I recommended at that time that the period should be extended and the normal rate of interest charged. I am glad to see that what I suggested is incorporated in the proposed legislation.

I remember so well giving the example at the time of a farmer who died without leaving a will and, very unfortunately, six months later his wife died without leaving a will. The farmer had two sons who were working with him on the farm. They had a first-class herd of purebred cattle. When the mother died, succession duties were payable in six months, not in the form of cattle, land or buildings but in cash. They did not have the cash. What did they do? They had no alternative but to call an auction sale, and their cattle were sold under the hammer to raise the money with which to pay the succession duties. Years of careful work on the part of the father and sons in raising this herd were lost because the succession duties had to be paid quickly. This has now been changed. The minister has suggested a period of six years and I congratulate him on this proposal, though it does not remove the problem of meeting succession duties which will still have to be paid eventually.

• (5:30 p.m.)

I think I would be remiss if I did not comment on some of the observations made last night by the hon. member for Provencher (Mr. Smerchanski). He said, among other things, that we on this side of the house had not done our homework. He also complained

that the press had not done their homework in connection with this bill. I am sure he must have received as many letters in connection with this legislation as I and other members have received, and I think it is unfair for him to suggest that we have not done our homework. I am sure we on this side have done as much as he has done.

I hope he circulates *Hansard* to every farmer and small businessman in his riding so that they will have the opportunity to read what he has said. After all, I think the hon. member would agree that we are here to represent constituencies which, we hope, will grow increasingly to develop Canada as a first-class country. We want to promote industry and small businesses; we want to see profitable farms develop; we want to see greater employment opportunities provided. For the hon. member to suggest that this legislation will not have an adverse effect on Canada's farms and small businesses is, in my opinion, misleading. I should like him to distribute the *Hansard* in question to all his people and let them make up their own minds in this regard.

The hon. member spoke about tax-free gifts. As you know, Mr. Speaker, under these amendments tax-free gifts are restricted to $2,000 whereas the old limit was $4,000. The hon. member for Provencher says the effect is unchanged because a husband and a wife can each give $2,000, making $4,000. I ask the hon. member: In how many cases does a wife living with a husband pay tax separately? There are some cases, of course. In cases where she is a taxpayer she will be able to give $2,000.

Mr. Smerchanski: She does not have to be a taxpayer.

Mr. Hales: She has to be a taxpayer. It is not in every case that a husband and wife can each give $2,000.

Mr. Smerchanski: Sure they can.

Mr. Hales: Well, we will leave it to the lawyers to interpret. I have put my interpretation on it. The hon. member expressed the opinion that from a standpoint of dollars and cents the proposed estate tax is equitable. With regard to estate tax planning, he said, after August 1, 1969 one could opt either to take the old rates or the new rates. This is not the interpretation I place on the bill. After August 1, 1969 there is no such choice; the regulations have to be followed. I ask you, Mr. Speaker, who should be doing the homework?

Mr. Smerchanski: You should.

Mr. Hales: You tell me if I am wrong.

Mr. Smerchanski: You are wrong.

Mr. Hales: The hon. member talks about corporations paying between 60 and 70 per cent of their net profits taxes, taking into account the tax on dividends amounting to anywhere between 10 and 20 per cent. He talks about this as though it was a wonderful thing. Imagine a corporation having to pay 60 or 70 per cent of its profits in taxation. How can he, or anyone else with corporations in their ridings, expect them to survive when they have to pay up to 70 per cent of their net profits in taxation? After all, these firms must put something aside for research and for their necessary capital requirements to keep them up to date and in line with the times. I do not know how we can expect them to continue under this staggering taxation load.

Turning again to the subject of small businesses and succession duties, let me say I would have preferred the Minister of Finance to have done something to help these enterprises which are struggling to continue their existence. Let him go up and down the main streets in any of the towns and cities of Canada and see how many empty stores there are. Why are they empty? They are empty because small businessmen have been given no encouragement by the government. Instead of bringing in this type of legislation the Minister of Finance would have been better engaged in providing expanded opportunities for the operators of small businesses.

One point in particular occurs to me in this connection. In thousands of cases the wife of an operator of a small business works with him, serving in the store or corner shop. But the husband is not allowed to charge her wages as part of his operating costs. Yet if she did not work for him he would have to hire somebody else, and the wages paid to that person could be deducted as a legitimate business expense.

A few years ago a Conservative government introduced the Small Businesses Loans Act. I cannot think of anything else which has been done to assist small business. If the present situation continues we shall see more and more empty stores throughout the country. A good deal is said in this chamber about industry. I want to see encouragement given to industry to develop and provide jobs for Canadians. But when large corporations, small businesses and farms are all saddled

with the proposed taxation the attitude of those engaged in them is: I might as well sell out. And where are they likely to find a purchaser? Very likely it will be a United States corporation. So we find ourselves recalling the stand taken by a former minister of finance, Mr. Walter Gordon, when he urged us not to let Americans take over Canada but promote Canadian investment in Canadian industries. The present government does not appear to think in those terms. It does not worry about the number of corporations which will have to sell out in order to escape succession duties.

We realize that under the minister's new proposal no estate duty is payable when an estate passes from husband to wife or from wife to husband. That sounds good. But it only represents a postponement of a final tax payment. What is the attitude generally to these proposed changes? Many have said to me: What is the use? We might as well spend the money. We saved it to give to our children but there is such a heavy tax on it we might as well spend it.

What is the effect likely to be? An attitude of this kind toward spending promotes inflation. It throws another log on to the fire of inflation and, goodness knows, that is what we want to avoid, because inflation is the greatest enemy facing Canada today. Nevertheless the government is making proposals which will only worsen this situation, and for the life of me I cannot imagine why they should wish to do so at this particular time.

• (5:40 p.m.)

As the hon. member for Calgary North (Mr. Woolliams) has asked, what does the government want to do? Force fathers to sell out? They do not seem to want to encourage their heirs to carry on the family farm or business.

I have received, as I am sure everyone in the house has, considerable mail on this subject, more than on any other matter to come before the house. I am not going to put all of these letters on the record, but there is one that really made me feel terrible. It is from a man who is a long way along life's road. He says:

> The political parties all seem not to give a half a damn about the electors who have a substantial estate. "Let's rob them" seems to be the slogan. Well perhaps this will work for a while.
>
> I will mention two items. My son-in-law is a Ph.D. in science from McGill after getting an M.A. from Queen's. He and Marjorie and family are living in the U.S.A. They always talked about the time when they would come back to Canada. But not now. They would be crazy to come back to this country and I told them so. John has applied for U.S.A. citizenship papers.
>
> The other item was told me by a Galt businessman, since the first of this year. A friend of his retired. His home was in Michigan. He had planned to settle in a nearby Canadian town, close to Galt. In checking items with a banker in that town the banker told him he would be crazy to come back to Canada. This chap and his wife are now settled in Florida. I think this could be multiplied many times across the country. If I were only ten years younger and had a wife the same age and well, I would get out of here fast. After spending 52 years in the shoe business I now find that it is practically impossible to pass any of my hard-earned savings on to my grandchildren—ten of them in Canada.
>
> My apologies for this long letter. At long last I am sorry that I am a Canadian.

Is that not a sad way to have to end a letter? This is a man in his twilight years who has worked in the shoe business in Canada since 1909, and who says he is sorry he is a Canadian. We do not want that sort of thing in this country. We want people to have the opportunity to work and to save, to show initiative and receive reward for their effort. It is only natural for a man who works hard to want to save a little money to hand on to his children. He paid tax on that money and he paid plenty. He should be allowed to hand on a portion of what he has saved after paying tax. I am not saying that succession duty should be abolished completely, but I do think some discretion in the amount of succession duty levied should be exercised.

As I said at the beginning, I am not going to belabour this point. I am concerned about small businessmen and farmers, those in my riding who are engaged in industry and who want to survive, to develop their industry and to receive some reward for their work. I do not want the owners of businesses, big and small, to say to me: "What's the use? I might as well sell out." If they have to sell out they sell to people from the United States, and they will eventually take over this country. Although I do not think that is the wish of any member of this house, I can see the day coming when this will be the result if the government continues to tax the Canadian people in the way that is proposed.

Mr. Smerchanski: Mr. Speaker, on a question of privilege, the hon. member who has just spoken quoted from page 5682 of *Hansard*, the tenth line from the bottom, and he is correct when he says it should read "before August 1, 1969" and not "after August 1". That accords with the proposed legislation. May I thank him for bringing that matter to my attention.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I would be derelict in my duty if I did not take the opportunity to rise in my place and register my strong protest at some of the implications of Bill C-165, to amend the Income Tax Act and the Estate Tax Act.

First of all, I was not only appalled but amazed when about ten days ago the Minister of Finance (Mr. Benson) rose in his place in this house and implied that he had received no objections from members of the opposition with respect to these proposed amendments. I must give the hon. member for Red Deer (Mr. Thompson) full credit for taking it upon himself to raise a point of privilege following that implication by the minister in order to clear up the record. We finally got an admission from him that he had received eight or ten letters from opposition members.

I was one of the opposition members who registered my protest in as strong language as I could couch in a two page letter to the minister under date of January 22. I am not going to go into the details of it but I did send copies of the letter to the 18 weekly papers in my riding so they would know that the opposition was on the job in this house. At that time I was a little concerned whether under the new rules we have adopted I would even get the opportunity to register my protest. However, I have that opportunity now.

I am not going to belabour the point this evening because I feel that other members of the opposition have gone into thorough detail in their analysis of the effects of this bill upon Canadians in general and the people I have to honour to represent in particular. I am referring, of course, to the large number of farmers on family farm units and to small businesses, I was a farmer myself and a member of the farming fraternity for a number of years before moving into the business world. Therefore I am fully aware of the problems created by this proposed tax measure as applied both to small businessmen and to farmers.

I think the majority of Canadians agree with one provision of the bill, namely, the transfer of an estate without tax from one spouse to the other at death. This amendment was long overdue. But we find the government being benevolent on the one hand and taking money away on the other, and as many members have pointed out this is where problems arise.

In my letter to the minister I think it is worthy to note that I suggested we do away altogether with the principle of estate tax as outlined in this bill. I make that statement because the province of Alberta already refunds 75 per cent of the estate tax that it collects from people in that province. I believe the premier of Saskatchewan, the hon. Ross Thatcher, is on record as saying it is his intention to do the same thing in Saskatchewan, and if the record is checked I believe the province of Manitoba has indicated it is also considering this step. If that is the case, the inference is that Canadians, particularly those in western Canada, are definitely against the principle of this bill. Consequently, why does the federal government not follow up this trend of thought and eliminate this tax altogether?

• (5:50 p.m.)

The federal government will say that they must have tax revenue, and I agree with that. I also think that the principle of income tax is the fairest principle on which taxation can be based. Surely the government could recover by way of extra income tax levied on businesses or farms any amount which might otherwise be recovered by way of estate tax. It is only right that those who have worked hard to build up a business or farm should enjoy the fruits of their labour and know that those fruits will not be dissipated on their death.

I worked on a family farm some years ago. My father, brother and I worked day in and day out, year in and year out, from daylight to dark. We all hoped to share eventually in the family farm. Others who work in family businesses hope equally to share in those businesses. That principle has helped to build up farms and businesses in this country, particularly in the rural areas. If the prospect of inheritance induces people to work hard in a family farm or business it is unrealistic to expect that by imposing inheritance taxes we shall maintain the incentive of prospective heirs to work hard and build up businesses. It takes a lifetime to build a business, and on the deaths of the owners the government should not collect estate taxes which may cripple the business.

I regret that the Minister of Finance is not in the house. In fact, I see no minister here at all.

Mr. Knowles (Winnipeg North Centre): One or two hopefuls are present.

Mr. Southam: We are discussing a major piece of legislation and yet no minister of the government is here to listen to hon. members.

Mr. Gray: On a question of privilege, Mr. Speaker, I wish to inform the hon. member and other hon. members that I have been asked by the Minister of Finance particularly to pay very close attention to remarks being made so that their value, which undoubtedly is high, will not be lost. It is now five minutes to six. The minister was in the house until two or three minutes ago. I hope that answers the hon. member's complaint.

Mr. Bell: Mr. Speaker, I have some responsibility in this matter. The Minister of Finance mentioned to some of us that he had to go away on urgent business. I say nothing about other ministers. The hon. member who has been speaking did not know that fact, since he was probably outside the chamber preparing his speech. I repeat that the minister said he had to go away on important business.

Mr. Hees: Speaking to the hon. member's point of order, I submit it has been recognized practice in any government that if a minister himself cannot be present in the chamber to pilot a bill a colleague of his will take his place in the house. I find it shocking that no minister has been present for some time in the house. That shows the lack of interest of the government in this matter.

Mr. Southam: Mr. Speaker, I accept the statement of the parliamentary secretary. As the hon. member for Prince Edward-Hastings (Mr. Hees) suggested, it is the duty of the minister to delegate responsibility to a colleague who should be present in this chamber. I do not suggest my remarks are of earthshaking importance, but they represent views held by many in my constituency. The hon. member for Wellington (Mr. Hales) who preceded me made an informative speech. I hope my comments are equally worthy of note.

In view of action being taken or to be taken by certain provinces in the field of estate taxes I urge the government to reconsider its position in this field. The present estate tax formula represents a retrograde step. The government should not introduce legislation which may have the effect of eliminating the family farm or small business. Although my remarks apply particularly to western Canada they also apply to the rest of Canada. Industrial areas of the country may not be concerned about the provisions of this legislation but the people of the rural areas feel that the proposed legislation will perpetrate injustices. I therefore submit that the bill should not be given passage in its present form.

An hon. Member: Six o'clock.

Mr. Deputy Speaker: As it is six o'clock this house stands adjourned until tomorrow at two o'clock p.m.

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

HOUSE OF COMMONS

Thursday, February 20, 1969

The house met at 2 p.m.

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the Chief Electoral Officer certificate of the election and return of T. C. Douglas, Esquire, for the electoral district of Nanaimo-Cowichan-The Islands.

NEW MEMBER INTRODUCED

T. C. Douglas, Esquire, member for the electoral district of Nanaimo-Cowichan-The Islands introduced by Mr. David Lewis and Mr. Harold E. Winch.

MR. T. C. DOUGLAS

EXPRESSIONS OF CONGRATULATION AND WELCOME TO LEADER OF NEW DEMOCRATIC PARTY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on behalf of the government I welcome back to this house an hon. member who has enjoyed one of the longest active political careers in Canada. Perhaps a few months have been missing here and there but, by and large, I believe he has been sitting in legislative chambers or parliaments since 1935.

We must all face the hazards of political life. The hon. member who has returned to this house has shown that he persists in the pursuit of his ideals, that he has great sticking power and that he believes strongly in the principles he follows. These are virtues we admire in him.

He is also welcome because he has a great sense of humour and conducts himself in a lively fashion in debates. Of course the hon. members of his caucus will welcome the additional leadership he will bring to their united ranks.

Some hon. Members: Hear, hear.

Mr. Trudeau: We know he brings to the house an intimate knowledge of his new constituency, where he has been meeting his constituents for some months. He will find the house a welcome place in which to be. It has changed a little. We now have a permanent or enduring Speaker, we have changed the rules a little, and some of the ministers are in the house, off and on.

Some hon. Members: Hear, hear.

Mr. Trudeau: The one thing that has not changed, however, Mr. Speaker, is the courtesy of hon. members and the friendships which develop among members of all parties. As a human being and as a man devoted to principle, the hon. member stands second to none. Because of this we welcome him back to the house.

• (2:10 p.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I join with the Prime Minister (Mr. Trudeau) in warmly welcoming back to the house the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the leader of the New Democratic party.

The hon. gentleman has always enjoyed the highest regard and respect of his colleagues. He has always been in the public life of the country, first in the House of Commons as the hon. member for Weyburn, then as premier of a province, then in the house as the hon. member for Burnaby-Coquitlam, and now as the hon. member representing the constituency of Nanaimo-Cowichan-The Islands. His return to parliament is welcomed by all, and especially by those on the left—

Some hon. Members: Hear, hear.

Mr. Stanfield: I am glad they rise to that. Of course, I really mean to the left of you, Mr. Speaker. I am sure I can group most of us who are sitting to your left, Mr. Speaker, as being to the left of the government, as it is virtually impossible to be to the right of this government—

Some hon. Members: Hear, hear.

Mr. Stanfield: —unless, of course, we were prepared to adopt the principles of Genghis Khan or somebody of that sort.

An hon. Member: Don't suggest it!

New Member

Mr. Stanfield: I hope I am not out of place, Mr. Speaker, in suggesting to the hon. member, who is taking his seat today, that his colleague the hon. member for York South (Mr. Lewis) has conducted himself eloquently and effectively as the acting parliamentary leader of his party. I hope this is not the kiss of death for the coming days. The hon. member for York South was so effective that the other day he was accused of demagoguery by the Prime Minister. I interpret that as being complimentary.

These are very strenuous days for parliament and the country. We all know the hon. member for Nanaimo-Cowichan-The Islands will continue to make a very informed and constructive contribution to parliament and the country. It is a great pleasure indeed for me personally and on behalf of my colleagues to welcome him back to this house.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we in this corner of the house congratulate the new member and leader of the New Democratic party on his election; we notice that though he has not been too fortunate in general elections, he seems to have become an expert in by-elections.

Mr. Speaker, we will now have the leader of the New Democratic party (Mr. Douglas) on our right, and even though we do not always endorse his ideas because they lean to the left, we nevertheless appreciate his many qualities as a parliamentarian. I have had the opportunity of knowing him personally in 1962. During all the debates, he was a credit to the House of Commons, by putting forward the ideas of his party which he represented very well.

I take the opportunity to commend those who, during his absence, assumed the leadership of the New Democratic party in parliamentary matters. Even though their leader was not here, they were able to hold out and set forth the ideas which prompted their constituents to elect them to the House of Commons.

We therefore join our verbal flowers to the natural flowers which have been placed on the hon. member's desk; we assure him of our respect and wish him good luck for the future.

Some hon. Members: Hear, hear.

[*English*]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, as the devil said when he was sworn in as a member of the cabinet, "It's nice to be home."

Some hon. Members: Oh, oh.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I want, sir, through you to express my very sincere appreciation of the warm welcome which has been extended to me by members in all parts of the house, and particularly to say how deeply touched I am by the fine tributes which have been paid by the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Stanfield), and the hon. member for Shefford (Mr. Rondeau), speaking on behalf of the Ralliement du Creditiste. I have been associated with politicians so long that I do not take too seriously what they say in their moments of euphoria; nevertheless I know from long experience and from having worked with members in all parties in this house that their tributes are sincere, and their welcome is a genuine one.

I am very happy to be able to resume my place in the house. As the Prime Minister has said, I have had many months away from the house in which to learn many things. I would even recommend it to some members of the house and of the government. I think that visiting logging camps, sawmills and pulpmills, fishermen on their boats, businessmen and consumer groups is a very valuable experience for one who has been a long time in public life. I am deeply indebted to the house for its kindness, and to the people of Nanaimo-Cowichan-The Islands for the vote of confidence they gave to me and to my colleagues in sending me here.

I would like to express my appreciation to the members of the New Democratic party who sit in this house for the fine job they have done during my absence. I am glad the Prime Minister has noted the degree of unity which obtains. I have had no difficulty with some of them wanting to get out of NATO, and some wanting to stay in NATO.

Some hon. Members: Oh, oh.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They have managed to develop a degree of unity which I have found most comforting.

It was a great experience, coming back last night; when I got off the plane some of my colleagues and supporters met me and presented me with a book called, "The Sayings of Chairman Diefenbaker." When I got into our apartment I found sitting on the table, a book my wife had been reading, one by the Prime

Minister on federalism. In spite of those two very inauspicious beginnings I decided to take my seat, Mr. Speaker, and I would like to thank the members for their kindness and to say that at this very critical stage in Canada's history, when we are shaping the future of the country, I am very happy to be a member of the house. I have had the privilege over the years of serving in this house and serving in a provincial legislature. I hope that something of the experience which I have gathered may be of some value as we face the critical days ahead.

• (2:20 p.m.)

BUSINESS OF THE HOUSE

STATEMENT AS TO LEGISLATION TO BE CONSIDERED BEFORE SUMMER ADJOURNMENT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to make a statement with regard to the business of the house for the balance of the session. I believe that the house may find useful some information that I have drawn together about the work remaining to be done between now and the beginning of the summer adjournment.

My proposal is that the house adjourn for Easter at the conclusion of the sitting on Wednesday, April 2 and sit again on Monday, April 14. I am proposing also that we should try to be ready to adjourn for the summer on Friday, June 27. On that basis, after yesterday, taking into account the two additional holidays prescribed by Standing Order 2, we now have 83 sitting days in which to complete our work.

Of those days a total of 18 are committed as allotted days for the business of supply with, I assume, an additional three days for the final supplementary estimates. I am reserving six days for a budget debate. Naturally, I cannot say whether the Minister of Finance (Mr. Benson) will want to initiate such a debate or, if he does, whether any budget bills will eventuate from his statement. This means that 27 days are committed. Any days that might be required for budget bills would be over and above that number. In other words, the maximum number of days that we can count on for the legislative business about which we now know is 56.

The House of Commons has before it, at some stage of the legislative process, a total of 19 bills. In the other place there are four bills with which the House of Commons has not yet dealt. On the basis of the list put forward by the Prime Minister (Mr. Trudeau) on September 12, and my best knowledge at this moment, I can foresee 21 additional bills. This means that to the 19 bills now before this house at various stages we should add a total of 25 bills not yet before this house. There is also the matter of a proposed resolution dealing with Canada's anthems.

The following is a list of the bills not yet before the house and I should indicate that no significance should be attached, one way or another, to the order of this list: Investment companies Bill, S-17; Criminal Code (Hate propaganda) amendment, Bill S-21; Canada Shipping Act amendment, Bill S-23; Oil and Gas Productions and Conservation, Bill S-29; Canadian Educational Broadcasting Agency bill; Income Tax Act amendment—from the October 22, 1968 budget; Dominion Coal Board dissolution bill; Yukon Minerals bill; Canada Corporations Act amendment; National Housing Act amendment; Satellite Communications Corporation bill; Export Development Corporation bill; Federal Co-operatives bill; Old Age Security Act amendment; Loan Companies Act amendment; Trust Companies Act amendment; Canada Development Corporation bill; Indian Claims bill; Canadian and British Insurance Companies Act amendment; Foreign Insurance Companies Act amendment; Expropriation Act amendment; Statute Law (Superannuation) Amendment Act amendment; Fisheries Improvement Loans Act amendment (No. 2); Expo Winding-up bill; Patent Act (fees) amendment.

We also hope to introduce an industrial incentives bill in respect of the department of my colleague, the minister of regional and economic expansion, a Canada water bill and a securities bill, but it would not be our intention that these should be passed during the course of this session.

This schedule means that we are confronted with about 45 items to fill our remaining 56 days for legislation. I have made available to the house leaders of parties opposite a list showing the bills passed, the bills in progress in this house and the work to come.

Let me conclude by saying two things. First, it is always possible that emergencies will require the government to come to the house with additional legislative proposals not now anticipated. Secondly, if we finish our work before June 27 I will be more than

happy to join in a lobby for an earlier summer adjournment.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have had the pleasure—perhaps I should correct that word of "opportunity"—of reading the list which has been placed before us by the President of the Privy Council. The government has the assurance of this party that, within the limits of our capacity and our right to discharge our responsibility as Her Majesty's Loyal Opposition, we will co-operate with the government in attempting to meet, as best we can, the schedule to deal with these legislative proposals within the time named. We do not however intend to be in any sense deficient in doing those things which as an opposition we have to do in the discharge of those responsibilities. I think I should make that quite plain, and I do so in no controversial spirit at all.

It is a fact that this has been an unusual session. There is the possibility of our having two budgets, at least time has been provided by the president of the Privy Council for this eventuality. There are a number of legislative proposals—and I am not going to be controversial about this either—which have been left over, but might well have been concluded in the normal course of events if the election had not been held. That was of course the right of the government.

If we can get all these things done by June 27, that is fine. If we have to stay a little longer, I and my colleagues will be very regretful, but we do not intend to be delinquent in the discharge of our responsibilities.

It is my hope that we can work out arrangements for business of the house. For today, for example, I am quite happy to propose that the legislation now before the house be completed today. This estate tax amendment legislation has had a great deal of consideration, and there has been an exceedingly good opportunity for debate. It has been canvassed from all sides of the house. I for one on behalf of this party would agree to an order, if the house is agreeable, to complete second reading, and go through the committee stage and third reading by staying today to complete this bill.

I would refer also to some of the other legislation before the house. For example I have in mind the Criminal Code amendment legislation. I understand from my colleagues who will be serving on the standing committee that when that measure goes to the standing committee it should not be impossible to work out an agreement, through consultation, as to the length of time with which the committee should be seized of that bill. Once it has been before the standing committee, and the government is ready to report the bill, we will know what amendments there are.

In accordance with our views as expressed earlier in this house, once through the usual consultative processes among the house leaders we know what will be involved and what amendments will be brought back to the house we can decide without inhibition what period of time will be required at the report stage in the house.

Finally, before I sit down may I suggest that when we look at the bills we have been through, and look at the peripatetic progress that has been made, while I realize that members of the government must from time to time be away from this house—and I would not want to inhibit their right—under such circumstances it would facilitate the progress of legislation in the house, and other measures placed before us by the government, if when a measure was initiated and brought into the house for debate, the debate could be completed without having to suspend it, as has happened from time to time, and resume it at a later date. I think that more orderly and reasonable progress could be made if this were done. Having said that, Mr. Speaker, we are prepared to co-operate and we hope the target dates will be achieved. We wish the government success in at least reaching those target dates.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Peace River (Mr. Baldwin), I wish to thank the government house leader for having supplied us with a copy of the memorandum which he was using when he made his remarks. We believe it is very useful for us to know what legislation the government has in mind for the balance of the session. We also think it is useful and helpful to have a program so far as the calendar is concerned. I agree with the hon. member for Peace River that the important thing for this parliament to do is attend to its business even if we have to stay here, but we think it is a good idea to try and plan our time so we will get the important business done within reasonable time.

I should like to congratulate the government house leader upon including in the time schedule the necessary days for a budget presentation. He had to protect himself with respect to that matter, but we feel, because the

country deserves a statement as to our financial position and because it is important to the new program that we worked out as part of our procedures to have the budget in the spring, it would be a good idea to have the budget presentation at that time.

I am interested, of course, in noting that the government house leader has included the proposed Income Tax Act amendment so as to make an honest man out of the Minister of Finance (Mr. Benson), who is presently collecting a 2 per cent social disillusionment tax that has not yet been passed by parliament. In looking over the list of bills that we have before us, I am inclined to say that the important thing is not the number of pieces of legislation with which we are presented but the quality and value of those pieces of legislation. There are some notably missing. May I say a word or two about two or three which are on the list.

There is a reference to the Canada Development Corporation. This reminds me of the millions of times people pray "Thy kingdom come" but never expect it to happen. I hope that this time the government is going to go ahead with the Canada Development Corporation that has been mentioned so often. We trust that the housing legislation will have some real substance, some real content in it. I hope, too, that the reference to the Old Age Security Act and to the Statute Law (Superannuation) Amendment Act amendment means that we will not just be tidying up a few anomalies, but that the important needs which must be met under these acts will be dealt with at this session. I refer to the need for increased pensions.

I draw the minister's attention to the fact that there is not in the list any reference to the omnibus bill No. 2 to which the Minister of Justice (Mr. Turner) referred yesterday, nor is there any reference to any legislation arising out of the Woods report which is being considered by the Committee on Veterans Affairs. Consequently there is no reference to war veterans allowance under such legislation. We think this matter ought to be dealt with at this session. I have one other comment, Mr. Speaker. We welcome the reference to the Indian claims legislation that is to be dealt with at this session but, as has been stated on previous occasions, we feel that this legislation should not be proceeded with until the views of the native people of Canada have been heard with respect to it.

The government will have our co-operation in trying to get this program of legislation through within the target dates that have been suggested, but we urge, again, that what is important is the quality of the legislation. We plead for quality and substance in the legislation referring to the Canada Development Corporation, as well as in the legislation dealing with housing and matters related to pensions and to our war veterans.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we, of the Ralliement Créditiste, can assure the government house leader of our entire co-operation regarding the legislative program we shall have to pass before the summer recess.

We have had the opportunity to become acquainted with the proposals already before us. Some bills require more careful consideration than others. That is why it is so difficult to come to a decision in advance as to the many pieces of legislation that the government intends to introduce and which have not as yet been tabled in this house, as we do not know yet their exact content.

At all events, according to the agenda submitted in conformity with the procedure, we shall have approximately 58 days, I think, to study the bills already before the house and those who are listed on the program we approved yesterday, and which was suggested in the house today.

Is it not strange that Saint-Jean-Baptiste Day which falls before June 27 is not mentioned before the adjournment of the house for the summer recess? Will we have to sit on June 24?

The government house leader did not mention this great feast day to which the Prime Minister (Mr. Trudeau) attached so much importance last year, before the elections, and which was celebrated with great pomp in Montreal. I wonder whether we should attach a special importance to the celebration of Saint-Jean-Baptiste Day this year.

[*English*]

• (2:30 p.m.)

ROUTINE PROCEEDINGS

ESTIMATES

REFERENCE OF VOTES OF CERTAIN DEPARTMENTS TO STANDING COMMITTEES

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That the Estimates of sums required for the service for Canada for the year ending March 31,

Reference of votes to Standing Committees

1970, be referred to the several standing committees of the House, as follows:

To the Standing Committee on Agriculture

Votes 1, 5, 10, 12, 15, 17, 20, 25, 30, 35, 40, 45, 50 and 51 relating to the Department of Agriculture.

Vote 55 relating to the Canadian Dairy Commission.

Votes 60 and 65 relating to the Canadian Livestock Feed Board.

Vote 70 relating to the Farm Credit Corporation.

To the Standing Committee on Broadcasting, Films and Assistance to the Arts

Votes 1, 5, 10 and L5 relating to the Department of Communications.

Vote 15 relating to the Post Office.

Vote L10 relating to the Canadian Overseas Telecommunication Corporation.

Votes 1, 3, 5 and 10 relating to the Department of the Secretary of State.

Vote 25 relating to the Canada Council.

Votes 30 and L145 relating to the Canadian Broadcasting Corporation.

Vote 40 relating to the Canadian Radio-Television Commission.

Vote 48 relating to the Company of Young Canadians .

Vote 50 relating to the National Arts Centre Corporation.

Votes 55 and 60 relating to the National Film Board.

Vote 65 relating to the National Library.

Vote 70 relating to the National Museums of Canada.

Vote 75 relating to the Public Archives.

To the Standing Committee on External Affairs and National Defence

Votes 1, 10, and 15 relating to the Department of External Affairs.

Votes 30, 35, and L35 relating to the Canadian International Devel. Agency.

Vote 40 relating to the International Joint Commission.

Votes 1, 5, 7, 10, 12, 15, 20, 25, 30, 35, 45, 48, and 50 relating to the Department of National Defence.

Vote 55 relating to Defence Construction (1951) Limited.

To the Standing Committee on Finance, Trade and Economic Affairs

Votes 1, 3, 10, 15, and 25 relating to the Department of Finance.

Vote 55 relating to the Department of Insurance.

Votes 1, 10, 20, 25, 30, 35, L95, L100, L105, and L110 relating to the Department of Industry, Trade and Commerce.

Vote 40 relating to the Dominion Bureau of Statistics.

Votes 1 and 5 relating to the Department of National Revenue.

Vote 10 relating to the Tax Appeal Board.

Vote 25 relating to the Economic Council of Canada.

To the Standing Committee on Fisheries and Forestry

Votes 1, 5, 10, 15, 20, 25, 30, 35, and 40 relating to the Department of Fisheries and Forestry.

[Mr. Macdonald (Rosedale).]

To the Standing Committee on Health, Welfare and Social Affairs

Votes 68 and L175 relating to the Central Mortgage and Housing Corp.

Votes 1, 5, 10, and 15 relating to the Department of Consumer and Corporate Affairs.

Votes 1, 5, 6, 8, 9, 10, 11, 15, 17, 20, 25, 30, 35, 40, 41, and 45 relating to the Department of National Health and Welfare.

Votes 50 and 55 relating to the Medical Research Council.

To the Standing Committee on Indian Affairs and Northern Development

Votes 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85, and L90 relating to the Department of Indian Affairs and Northern Development.

Vote 45 relating to the National Battlefields Commission.

To the Standing Committee on National Resources and Public Works

Votes 1, 5, 15, 20, 25, 40, 45, and 50 relating to the Department of Energy, Mines and Resources.

Votes 55 and 60 relating to the Atomic Energy Control Board.

Votes 65, 70, L15, L20, L25, and L30 relating to Atomic Energy of Canada Limited (Research Program).

Vote 75 relating to the Dominion Coal Board.

Vote 80 relating to the National Energy Board.

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 50, 55, and 60 relating to the Department of Public Works.

To the Standing Committee on Justice and Legal Affairs

Vote 1 relating to the Department of Justice.

Vote 1 relating to the Department of the Solicitor General.

Votes 5 and 10 relating to the Correctional Services.

Votes 15 and 20 relating to the Royal Canadian Mounted Police.

To the Standing Committee on Labour, Manpower and Immigration

Votes 1 and 5 relating to the Department of Labour.

Vote 10 relating to the Unemployment Insurance Commission.

Votes 1, 5, 10, 15, 20, 25, and L115 relating to the Department of Manpower and Immigration.

Vote 30 relating to the Immigration Appeal Board.

To the Standing Committee on Regional Development

Votes 1, 5, 10, L120, L125, and L130 relating to the Department of Regional Economic Expansion.

Vote 35 relating to the Cape Breton Development Corporation.

To the Standing Committee on Transport and Communications

Votes 1, 3, 5, 10, 15, 20, 25, 30, 35, 40, L150, L155, L160, and L165 relating to the Department of Transport.

Vote 45 relating to the Canadian National Railways.

Votes 50, 55, 60, and 65 relating to the Canadian Transport Commission.

Votes 70, 75, 77, 80, and L180 relating to the National Harbours Board.

Votes 85, 90, and L185 relating to the St. Lawrence Seaway Authority.

To the Standing Committee on Privileges and Elections

Vote 45 relating to the Chief Electoral Officer.

To the Standing Committee on Veterans Affairs

Votes 1, 5, 10, 20, 25, 30, 35, 38, 40, and 45 relating to the Department of Veterans Affairs.

To the Standing Committee on Miscellaneous Estimates

Vote 50 relating to the Auditor General.

Votes 1 and 5 relating to the Governor General and Lieutenant-Governors.

Votes 1, 5, 10, 15, and 20 relating to the Senate and the House of Commons.

Vote 25 relating to Library of Parliament.

Votes 1, 5, 10, and 15 relating to the Privy Council.

Vote 20 relating to the Science Council.

Vote 30 relating to the Public Service Staff Relations Board.

Votes 20, 25, L135, and L140 relating to the National Capital Commission.

Votes 80 and 85 relating to the Public Service Commission.

Votes 1, 5, 15, and 20 relating to the Department of Supply and Services.

Votes 30 and 35 relating to Canadian Arsenals Limited.

Vote 40 relating to the Canadian Commercial Corporation.

Votes 1, 5, and 10 relating to the Treasury Board.

Votes 15, 20, 25, and 30 relating to the National Research Council.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we in this party do not intend to oppose the basis of the allocation. We have some reservations about some of the detail, particularly in respect of the new departments being set up. I can only add we hope that when the government has come to the stage when it concludes that the problem will be solved by means other than the creating of new departments we might not need quite as many of these references to committees.

Motion agreed to.

FISHERIES

PURCHASE PROGRAM TO STABILIZE FROZEN GROUNDFISH MARKET

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, our Canadian groundfish industry, as many hon. members know, is in difficulties. It is in difficulties because the export price for a number of our frozen groundfish products has declined sharply since 1967. This industry, which sells close to

90 per cent of its output in the United States, is caught in a serious cost-price squeeze.

It is important to note that this squeeze has occurred despite the fact that the retail price for many of these products has continued to rise in the United States and elsewhere.

It is apparent, therefore, that the government's main objective must be to do what it can to bring about a permanent improvement in the marketing outlook for Canadian frozen groundfish products by reinforcing the industry's competitive position abroad. Such a program will be far more beneficial than short-term subsidies. The latter can create serious difficulties because of Canada's international agreements on tariffs and trade. Also, experience has shown that subsidies cause few, if any, long-term improvements in incomes and working conditions in the industry.

The government therefore proposes, by taking advantage of our fisheries prices support legislation, to enter the market itself. It proposes, in other words, to initiate a purchase program designed to strengthen and stabilize market prices for frozen groundfish products. Supplies accumulated in this way will eventually be sold through ordinary commercial channels. They will not be released, however, at prices less than those paid for these stocks in the first instance. Nor will they be sold until their export price is high enough to cover our basic costs of production in Canada.

These costs must include an adequate price to our Canadian fishermen. The government is not prepared to enter into any plan to assist the industry unless appropriate measures are taken to ensure that the fishermen share in the benefits. Close to 15,000 fishermen and plant workers, and their families, depend upon the Canadian groundfishery, and their welfare must be of primary concern to the government.

It is our intention to maintain a close and continuing liaison with representatives of the fishermen and the trade in order to devise means whereby fishermen can be assured of prices that will not fall below the average for the years 1965, 1966 and 1967.

• (2:40 p.m.)

The low market prices of recent years have put many plants in the position where they lack working capital. Some have had to close for this reason. Others are in a precarious position at present and lack the necessary funds to modernize their operations and to cut costs by improving productivity.

In order to overcome this problem of a shortage of working capital, and in order to ensure adequate returns to fishermen, the government also proposes, as a special emergency measure, to make loans available to fishing and processing firms in 1969. The government is furthermore prepared to waive repayment of these loans until after the market price for our principal groundfish products reaches a figure which will ensure adequate returns to our Canadian fishermen and to the companies involved in our Canadian groundfishery.

Mid-term and long-term measures are also contemplated. Advice which the government has received from its consultants indicates that important economies can soon be achieved, both at sea and in our processing plants. Our Canadian groundfish industry will therefore be encouraged to avail itself of the financial assistance which is also available under our general adjustment assistance program. This program, as hon. members will recall, was instituted in order to help Canadian producers take advantage of growing export opportunities resulting from the Kennedy Round of tariff negotiations. Assistance under this program is available to firms which are prepared to restructure their operations in order to improve their competitive position between now and the early 1970s.

The results of this three-way approach must have an immediately beneficial effect on the frozen groundfish industry. The provision of loans under the conditions already outlined will help with the immediate problem of finding working capital. Use of the fisheries prices support legislation will strengthen the industry's hand in the market. And this, coupled with the greater efficiencies made possible through the adjustment assistance program will narrow the gap between production costs and market prices.

Looking even further ahead we must plan for greater rationalization in the industry. Certain plants will have to specialize in selected operations, and greater diversification in terms of products will be encouraged. It is apparent also that beginning in the early 1970s our frozen groundfish operations will have to be centralized in fewer growth centres. Such trends, though economically desirable, create related social and other problems. These must be resolved by taking advantage of companion programs being developed by our new federal departments of regional expansion and manpower. Also there must be close liaison with the provinces concerned.

The government, in co-operation with the industry, will continue to intensify its efforts to encourage greater use of our fishery products in both our domestic and export markets. Even a small increase in the per capita consumption of fish at home and in the United States can produce significant results. It is encouraging to note that consumption of frozen groundfish products has, in fact, been rising steadily on this continent. Also, as I said earlier, the ultimate consumer has been prepared to pay more for our fish.

There is therefore reason for optimism. This is especially true because fish stocks are definitely limited from the long term point of view. It follows that as production begins to level off, particularly in the North Atlantic, and as consumption continues to rise, prices should firm up as well.

This is why the government has decided to enter the market itself. Our objective is to firm up the price of Canadian produced fish to a level, or levels, more in line with long term trends. We believe, also, that through the operations of our fisheries prices support legislation we can help to stabilize the output of our Canadian groundfishery and achieve permanent improvements in the economics of an industry which shows every indication of being able to stand on its own feet in the long run.

This statement has dealt exclusively with the frozen groundfish industry. The government is also studying, very carefully, the problems of the salt cod industry, again from both a short and a long term point of view. As stated previously, there is now under way an examination of the possible advantages of a salt cod marketing board. I hope to be able to make an announcement regarding assistance for this important sector of our Canadian fishery in a few weeks time.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, hon. members on this side of the house listened with considerable interest to the statement made today by the Minister of Fisheries concerning the government's overall policy and program for the continued development of the fishing industry in Canada, with special reference to the development of the fisheries in the Atlantic provinces.

While we welcome the minister's belated announcement, I say to him in all seriousness that it is a statement which is long overdue. The groundfish industry in the Atlantic provinces has now experienced almost three years

of declining revenues and increasing costs. This condition has prevented any expansion in the earnings of fishermen and has resulted in operating losses for the processing industry which have been so heavy that a number of companies in the Atlantic provinces have been forced to close their doors.

I would point out that this period of difficult and disappointing financial experience followed one of expansion and modernization which began in 1958. From that year, up to 1966, investments in plants and fishing vessels was quite extensive and the optimism of our people was supported by strong demand and rising prices for the products of our industry.

The reversal of this expansionary trend is not due in my opinion to any weakening of consumer demand in our traditional markets or to any significant increase in raw material supplied to those markets. The causes of the serious financial dilemma faced by the freezing and the salt fish sectors of the Canadian groundfish industry are international tensions and the devaluation of foreign currencies, resulting in lower prices in our traditional markets. In the intense competition to sell frozen fishery products in the American market, our Canadian exporters were able to hold their own in terms of quality and quantity, but our position was retained only at tremendous financial cost. In fact, if the deficiency payment program had not been implemented from May to October in 1968, there is little doubt that still more of our fish processing companies would have found it necessary to close their doors.

This situation only serves to create further unrest and concern among thousands of our fishermen and their families who must depend upon processors to purchase their production, and their concern is sharpened by the knowledge that in hundreds of fishing communities there are no alternative occupational opportunities.

The government has proposed, by taking advantage of the fisheries prices support legislation, to initiate a purchase program designed to strengthen and stabilize market prices for frozen groundfish products. There is no indication in the minister's statement of the prices to be paid, or of the arrangements which will be made to hold these stocks. I would point out that fisheries products are not wheat. We are dealing here with a highly perishable commodity, one which must be kept in well controlled refrigerated conditions. I therefore suggest that to make this program effective it will be necessary to place greater emphasis upon the marketing of frozen fish. I hope the minister will enlist the good offices of the Secretary of State for External Affairs, who will be able to discuss this matter at the United Nations.

I hope, also, that he will enlist the aid of the Minister of Industry, Trade and Commerce, because if this part of the stated program is to be effective much greater emphasis will need to be placed on marketing. I wonder whether the minister has given any thought to discussing with representatives of the industry the possibility of co-operative marketing.

The minister also told us that the government proposes as a special emergency measure to make loans available to fishing and processing firms, and that it is prepared to waive repayment of these loans until after the market price for our principal groundfish products has reached a figure which will ensure adequate returns to our Canadian fishermen and to the companies involved in the groundfish sector of the industry. This particular statement is somewhat vague. I can only express the hope that the interest rates to be charged on these loans will not be so high that the means will destroy the end which the government hopes to achieve.

The minister also stated that beginning in the early 1970s frozen groundfish operations will have to be centralized in fewer growth centres. This, I hope, will not necessarily be the same growth centres used by the minister of resource development. It may well be that by using this measure to develop some of the outlying areas of the Atlantic provinces this could well be of assistance to the over-all development of the entire industry. It is obvious that in implementing any program the government's prime concern should be the price that is received by the Canadian fisherman. It should be adequate enough to enable him to provide for the needs of his family in today's inflated, high cost society.

• (2:50 p.m.)

Finally, I note that the government is preparing a study of the salt fish industry. Looking at it from the short and the long term point of view, I would recommend that the minister study the previous report made on this matter by a royal commission. I am sure he will find that very helpful. It is a very complex problem and I hope he can resolve it favourably on behalf of the fishermen and the processors. In any event, the minister has now weighed anchor and set a course. Like

any other voyage, to be successful there must be fair winds and a good crew. We on this side of the house hope that the voyage that has been embarked upon by the Minister of Fisheries will be helpful to Canadian fishermen.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to emphasize that while the statement has been lengthy the fishing industry, especially on the Atlantic and the Pacific coasts, is so terribly important to the total Canadian economy that the necessity for such a lengthy statement outweighs the disadvantage of having to go through it in detail. The announcement of the minister, as I see it, envisages the prospect of the government's entering into the buying and marketing of fisheries products, with an extension of the machinery for making loans to the industry in order to help it over a difficult period.

One aspect indicates a relatively new venture and proves, I think, what we have been alleging for a long time, namely that about the only element of our society that can protect the economic and social position of people who find themselves harshly done by in this so-called free enterprise system is the government. The minister has finally realized that this is also the case in this situation.

Regretfully I fear that the attempt to try to see that the income of fishermen does not fall below the average for the years 1965, 1966 and 1967 will not be that helpful, because this particular industry has been in great difficulty for a very long time. It is simply an attempt to maintain the income of fishermen at its present poverty level. Some more dramatic moves are required in this regard in addition to those announced by the minister.

The minister stated that this step has been necessary because the industry and the fishermen in the industry found themselves caught in the cost price squeeze. One result of this has been the problems faced by the groundfish industry.

Not too many weeks ago a number of mergers, takeovers and closures on the west coast were announced in the fishing industry. The Weston Corporation virtually owns, controls and dominates the fishing industry on the west coast. The reason given for the closing of certain canneries and plants on the Pacific coast, for certain mergers of companies, purchase of their assets and so on, was that the industry there found itself in the cost price squeeze and could not operate economically any longer in the manner it had in the past.

[Mr. Crouse.]

In Prince Rupert alone, because certain canneries have closed down and will not be operating this year, and as a result of the mergers that have taken place, there is a good prospect that 1,500—that figure is arguable, but it has been used as a round figure—shore workers, people working in and around the canneries, will be unable to find employment in the fishing and the salmon industries this summer. There is a great necessity for the minister, this new department of regional and economic expansion and the department of Indian affairs, to do something immediately with respect to the situation on the west coast.

Whether the venture that is being entered into, as announced by the minister, is going to do something that is really worth while, as far as the fisherman is concerned, is rather doubtful because the objective has simply been to see that the income of the fisherman does not fall below the 1965, 1966, and 1967 average income for fishermen. As I say, as far as we are concerned it is merely maintaining their income at the poverty level; nothing is being done to bring the real fruits of a just society to these people. If the minister had accepted but one small part of the ideas that party has advocated for years, the fishing industry would be a lot better off than it is now.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, although you had made recommendations regarding the length of comments following the minister's statement, we have just heard endless speeches and I noticed that you were getting fidgety. Therefore, I shall be very brief and say only that we fully welcome the minister's excellent initiative.

Some hon. Members: Hear, hear.

[*English*]

INCOME TAX ACT AND ESTATE TAX ACT

SUGGESTED SPECIAL ORDER TO FACILITATE PASSAGE OF MEASURE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, a few moments ago the hon. member for Peace River (Mr. Baldwin) indicated that he and his colleagues would be prepared to co-operate in the making of a special order for the purpose of ensuring that the estate tax bill will be disposed of at all stages by the close of business today. I wonder whether the house would be

agreeable to making an order somewhat along these lines.

That, notwithstanding the provisions of Standing Order 72, all remaining stages of Bill C-165 shall be permitted to advance beyond more than one reading today and that, if not dealt with earlier, all questions necessary to pass the said bill shall be put immediately at the ordinary time of adjournment this evening; and that the sitting of the house be extended so as to permit the putting of those questions.

If the house were generally agreeable to that proposition it could be made an order so as to deal with today's business.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, usually these matters are dealt with by negotiation through the usual channels before they are proposed in the house. The first we heard of this suggestion was when the hon. member for Peace River (Mr. Baldwin) proposed it earlier today. I suggest that the motion be not put at this time. We can discuss it behind the curtains—but without prejudice, please.

Mr. Speaker: Is it understood that the proposal is not to be put at this time? There is no agreement.

Mr. Baldwin: The motion stands adjourned.

[*Translation*]

INTERPRETATION ACT

AMENDMENT TO MAKE SUBSTITUTION IN ENACTING CLAUSE

Mr. André Fortin (Lotbinière) moved for leave to introduce Bill No. C-174, entitled an Act to amend the Interpretation Act.

Some hon. Members: Explain.

Mr. Fortin: Mr. Speaker, I shall not be long.

The purpose of this bill is to amend subsection 1 of clause 4 of the Interpretation Act, which reads as follows:

The enacting clause of a statute may be in the following form:—"Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada enacts as follows:

Mr. Speaker, the proposed amendment seeks to substitute the words "The Parliament of Canada" to the following: "Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada".

In our opinion, it is high time we got rid of such archaic British wording.

Motion agreed to, bill read the first time and ordered to be printed.

[*English*]

Mr. Speaker: When shall the bill be read the second time?

Some hon. Members: Next sitting of the house.

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO GIVE RELATIVES EQUAL COVERAGE

Mr. S. J. Korchinski (Mackenzie) moved for leave to introduce Bill C-175, to amend the Unemployment Insurance Act.

Some hon. Members: Explain.

Mr. Korchinski: Mr. Speaker, under section 58 of the unemployment insurance regulations, employment of a person in agriculture or horticulture shall not be included in insurable employment if the said person is related to his employer. The purpose of this bill is to eliminate such discrimination. It is intended that everyone in this industry, as in other industries, shall have the same opportunity to benefit from existing legislation since everyone is expected to pay taxes such as estate taxes.

Motion agreed to, bill read the first time and ordered to be printed.

• (3:00 p.m.)

ORAL QUESTION PERIOD

NATIONAL DEFENCE

NATO—DISAGREEMENT WITH VIEW EXPRESSED BY "VOICE OF WOMEN"

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Do his statements made outside the house yesterday indicate that the government has finally decided to stay within NATO? If not, do those remarks constitute only a continuation of the dialogue that has been going on in public?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I expressed a good deal of disagreement with the representations of the Voice of Women. I thought I was quite justified in so doing and I think that has contributed to the debate.

Mr. Lambert (Edmonton West): But does the Prime Minister think so?

Inquiries of the Ministry

Mr. Stanfield: A supplementary question, Mr. Speaker. We ought to know the government's position. Are we to assume from the statements made that the minister was announcing a decision? If not, when may we expect an announcement of government policy on this matter?

Mr. Sharp: Mr. Speaker, I assure the hon. gentleman that the foreign policy of Canada will not be that which has been recommended by the Voice of Women.

Mr. Bell: The minister is very brave.

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. In view of the tenor of the representations, did the delegation from the Voice of Women perchance include the Postmaster General?

Mr. Baldwin: He is an honorary member.

INDIAN AFFAIRS

YELLOWKNIFE, N.W.T.—ALLEGED DEGRADING REGULATIONS IN AKAITCHO HALL

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. On Tuesday last I asked him about regulations I described as degrading which had been issued or promulgated in respect of Akaitcho Hall, Yellowknife. The minister said he would look into the matter. Has he had an opportunity to do so?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have received telegrams from most of the students of that institution, but I have not received a complete report in this connection. I would beg the house to allow me to put the matter off until tomorrow when I shall be in a position to make a report.

[*English*]

Mr. Lewis: A supplementary question, Mr. Speaker. When the minister reports to the house on this matter will he be good enough to include the results of an investigation into the way the telegram he says he received and which I received—I imagine the telegram he received is a copy of the one I received—

Some hon. Members: Oh, oh.

Mr. Lewis: Mr. Speaker, I assure hon. members that I had a reason for putting my question the way I did. If that telegram is the one that has been signed by more than 100 students who live in the hall, will the minister be good enough to investigate the way in which it was sent?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not know whether or not the hon. member has received a telegram, but I know I have. These regulations were adopted by the students themselves and I shall inquire to find out whether they were forced upon them by the officials of the institution or whether the students had a chance to exercise their democratic rights in this matter.

[*English*]

Mr. Lewis: A further supplementary question, Mr. Speaker. In view of the educational policies and programs pursued by those who live in these northern hostels, will the minister or his department consider investigating the conditions in all hostels in the north? That may be necessary.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I would like to point out to the hon. member that the incident which he mentioned has been spurred by a comment allegedly made on a television program by someone who apparently has never set foot in the institution involved. I do not like to have doubts raised as to the merit of the institutions of the Canadian North, as I am sure they are generally well administered.

[*English*]

Mr. Speaker: Order, please. I suggest to hon. members that we have reached the realm of debate. Perhaps we might go on to another subject.

[*Translation*]

COMMUNICATIONS

COMPOSITION OF CANADIAN DELEGATION TO WASHINGTON

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I would like to direct a question to the Postmaster General, in his capacity as minister responsible for telecommunications.

Since 84 countries will be represented at the satellite conference due to open on February 24 in Washington, has the federal government appointed representatives of all political parties to represent Canada?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, a team of high officials from my department and the External Affairs Department will represent Canada next week.

EXHIBITIONS

INQUIRY AS TO CONTINUING MAN AND HIS WORLD

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Can the minister tell us if he has considered in cabinet this morning the situation of "Man and His World" and if a decision has been taken? If so, what is the nature of this decision?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The decision will be announced in a few days, Mr. Speaker.

[*English*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENTS TO CLARIFY BOARD POWERS, PROVIDE FOR APPEAL DIVISION, ETC.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a question to the Prime Minister. Since it was not included in the list of bills to be dealt with during the present session, presented earlier today by the President of the Privy Council, does the government intend to reintroduce a measure that was before the previous parliament, Bill C-186, which would divide labour jurisdiction between the province of Quebec and the rest of Canada, and was strongly urged on the government by the C.N.T.U. at its meeting with the cabinet earlier this week as well as having been strongly advocated by the Prime Minister and the Minister of Manpower and Immigration during the last election campaign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not recall that that measure was announced in the Speech from the Throne.

Mr. Hees: A supplementary question, Mr. Speaker. May we take it that the government has decided to abandon that legislation after speaking of it so favourably in the previous parliament? Is this part of the government's hearts and flowers approach to the C.L.C.?

Inquiries of the Ministry

EXTERNAL AFFAIRS

MAINLAND CHINA—REQUEST FOR REPORT ON OFFER OF RECOGNITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask the Secretary of State for External Affairs whether any word has been received yet from communist China in connection with the projected offer of the government of Canada to recognize that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the answer is yes. I expect that negotiations or discussions will proceed normally.

Mr. Diefenbaker: May I ask the minister whether, in terms requisite to the recognition of Communist China, are included the cancellation of the debt of $12 million owing to Canada and the sacrifice of Taiwan?

Mr. Sharp: On the first part of the question, as I said the other day I think that matter can be dealt with much more efficaciously when we have diplomats in both our capitals. On the second point, the question of Taiwan really revolves around the aspirations of the nationalist government to speak for China as a whole. As I said before, if we recognize Peking as the government of China, it will certainly affect the status of the nationalist government which makes the same claim.

Mr. Diefenbaker: When did the minister and the Prime Minister find that out? During the election campaign they said that under such circumstances recognition would not take place.

Mr. Speaker: Order, please. May I suggest to the right hon. gentleman that the supplementary question was in the nature of an argument.

Mr. Diefenbaker: I rise on a point of order. I cannot see anything wrong with asking when the government changed its mind and decided to sacrifice Nationalist China.

Mr. Speaker: Order, please.

Inquiries of the Ministry

[*Translation*]

POST OFFICE DEPARTMENT

ROD SERVICE LIMITED—POSSIBILITY OF STRIKE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to put a question to the Postmaster General.

Could he inform the house if he is aware that the employees of Rod Service Limited in Montreal are threatening to strike? If so, are any negotiations going on in order to avoid this strike?

Hon. Eric W. Kierans (Postmaster General): Yes, Mr. Speaker, it is exactly for this reason that I shall spend all day tomorrow in Montreal.

[*English*]

OIL

ST. ROMUALD, QUE.—COMPETITIVE POSITION OF FLOW FROM WESTERN CANADA

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Acting Minister of Energy, Mines and Resources. Has the department conducted studies to determine the competitive position of western Canadian oil in supplying the refinery just announced for St. Romuald near Quebec City? If so, does the minister see any prospect of this refinery being supplied with Canadian oil?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, opportunities for the sale of western oil in any part of Canada are well known to the particular companies and interests involved. I am sure they will take steps to obtain oil in the way that is most beneficial to Canadian interests.

Mr. Burton: Have any government studies been conducted independent of studies made by oil companies?

Mr. Lang (Saskatoon-Humboldt): In relation to economic and industrial conditions in the country generally, the government is always studying the question of marketing products from one part of the country to the other as well as foreign markets.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. A government task force of three civil servants has recently been set up to study the impact of the oil supply of Alaska on the supply of oil in America. What is the name of the chairman? Will that report be presented to the house and, if so, how soon?

Mr. Lang (Saskatoon-Humboldt): The then Acting Minister of Energy, Mines and Resources announced in the house some time ago the composition of this task force. The work of the task force is going on. I cannot at this point give a time for delivery of any final report, when it will be available to the government or when further information will be available for the house.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Would the minister care to comment on whether the task force will be having discussions with high level United States authorities on this subject?

Mr. Lang (Saskatoon-Humboldt): The task force will be exploring issues in all directions to gather the necessary information to advise the government with regard to oil policy. It may well be that members of the task force, in their capacity as members of the task force or as government officials, will be in touch with United States officials regarding these matters.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I have a related question for the minister. As part of the government's review of Canadian oil policy, is consideration being given to renegotiating the agreement with the Panarctic Oil exploration venture where it has 50 per cent of the risk capital and only one director on a board of 14?

Mr. Speaker: I suggest to hon. members that perhaps we are getting too deeply into this question. I would think that the supplementary asked by the hon. member might be placed on the order paper.

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO CONTROL INFLATION

Mr. Henry Latulippe (Compton): Mr. Speaker, I wished to direct a question to the Minister of Manpower and Immigration but, in his absence, I shall address it to the Minister of Forestry and Rural Development.

Would he tell the house which action the government intends to take to remedy the weaknesses of government policy in matters

of unemployment, industrial wind ups and price stability?

Mr. Speaker: May I suggest that the hon. member's question is of too general a nature to be asked now.

HISTORIC SITES

ADMINISTRATION AND MAINTENANCE OF VIMY MEMORIAL

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs following a telephone call I received from France this week, from a Canadian government employee in Vimy.

Could the minister tell the house if it is true that the administration and maintenance of the Vimy monument and park have been transferred to the Commonwealth War Graves Commission and, if so, what are the implications of such a decision?

Mr. Speaker: I doubt that the question can be asked now. If there is any urgency, it could be debated at the time of adjournment.

[*English*]

EXTERNAL AFFAIRS

HARBOURING OF DESERTERS IN CONTRAVENTION OF ALLIANCE AGREEMENTS

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, on Monday I asked two questions of the Secretary of State for External Affairs. In answer to both questions he said he would take them as notice. I wonder whether he has the answers now? They have to do with the provisions of our collective alliance agreements with the United States and other countries.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Perhaps, Mr. Speaker, I could find an occasion to answer later in the question period.

[*Later:*]

Mr. Sharp: Mr. Speaker, while I am on my feet may I answer a question put to me by the hon. member for Swift Current-Maple Creek. The reason I have not yet been able to answer is that it is a highly technical question that requires us to examine many agreements before I can give the hon. member an answer.

Inquiries of the Ministry

INCOME TAX

DEDUCTIONS FOR CONTRIBUTIONS TO AMATEUR SPORTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct this question to the Minister of Finance and also the Minister of National Health and Welfare. I would appreciate it if I could have a reply tomorrow to question 1,200 placed on the order paper on January 20. Industry, business and amateur sport consider this matter very urgent and important.

REGIONAL DEVELOPMENT

REQUEST FOR EARLY PRESENTATION OF NEW MEASURE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Minister of Forestry and Rural Development. In view of the related importance of the industrial incentives bill to be introduced shortly, would the minister consider presenting this bill for first reading or tabling it in order that its implications may be considered, together with the government reorganization bill?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I do not think I said that this bill would be tabled soon. I said that I would like it to be tabled during this session.

[*English*]

[*Later:*]

Mr. MacDonald (Egmont): Mr. Speaker, I wish to direct a further question to the Minister of Forestry and Rural Development who is to accept responsibility for regional economic expansion. In view of the fact he indicated that the bill having to do with the important area of regional development may not be ready for some time, will he make a statement on motions shortly with regard to the implications of the bill so that a full understanding can be reached and a full debate had when we get to that part of the bill dealing with government reorganization in respect of economic expansion?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, we should have the opportunity, no later than

next week, to clarify this matter on second reading of the bill. I intend to give some explanations to avoid any confusion.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question for the Minister of Economic Development.

I should like to ask him if in his report he intends to deal with the problem of employment for university students during the summer holidays.

Mr. Marchand (Langelier): I shall deal with all matters relating to the bill, Mr. Speaker.

[*English*]

FRED—PLAN FOR NEWFOUNDLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I would like to ask the Minister of Forestry and Rural Development a question. In view of his statement yesterday, has he changed his mind with regard to the announcement that an agreement between Newfoundland and the federal government would be ratified, as reported in yesterday's *Hansard*?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I tried to clarify this point yesterday by saying that no agreement had been negotiated by the federal government and the government of Newfoundland. I was referring to the Prince Edward Island FRED agreement which I hope will be signed shortly.

Mr. Lundrigan: Yesterday I asked the minister if there would be ratification of a new agreement in view of his clarification of the mistake he made as to region and the minister indicated there would be a signed agreement within the week. It is reported in *Hansard* to the contrary. Did the minister have a change of mind?

Mr. Marchand (Langelier): I was referring to the P. E. I. agreement and nothing else.

INDIAN AFFAIRS

REQUEST FOR TABLING OF HAWTHORN REPORT

Mr. Frank Howard (Skeena): I would like to direct a question to the Minister of Indian Affairs and Northern Development. Can he disclose to the house what has happened to part 2 or the second volume of the Hawthorn report?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are still waiting for the French translation. I hope to receive it within a few weeks. I was promised it this month. As soon as I get it, I shall be glad to table the report in the house.

ADMINISTRATION OF JUSTICE

REQUEST FOR HELP IN ARRESTING TERRORISTS

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Minister of Justice.

Could the minister tell us if he has received an official request from the Quebec government asking for assistance in proceeding to the arrest of the terrorists who are presently active in Montreal?

Hon. John N. Turner (Minister of Justice): I believe, Mr. Speaker, that the Solicitor General has already answered that the R.C.M.P. had been in touch with the Attorney General of the Province of Quebec, as well as with the Quebec provincial police and the Montreal police, with a view to helping them as much as possible.

[*English*]

NATIONAL DEFENCE

NATO—DECISION AS TO MEMBERSHIP BEFORE WASHINGTON MEETING

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Will the government be making a decision in regard to membership in NATO prior to the NATO meeting that is going to be held in Washington on April 10?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, that is the target date that we have in mind now. If possible we would like to make the decision even earlier than that.

Mr. Stanfield: Oh, don't strain yourself.

Mr. Cafik: As a supplementary question, Mr. Speaker, will the government await the report of the Standing Committee on External Affairs and National Defence, which is studying this matter, before making a final decision?

Mr. Sharp: I would hope that the committee will speed up its deliberations because it is most desirable that we reach a decision well in advance of the NATO meeting.

OFFICIAL LANGUAGES

TIMING OF INTRODUCTION OF AMENDMENTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the Minister of Justice. Will the minister say when he expects to introduce the amendments he suggested yesterday will be made to the official languages bill?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I want to review carefully the discussions I had with the four western Attorneys General in Victoria on Monday. I also want an opportunity to visit the Prime Minister and the Attorney General of Quebec the week after next. Then I will be discussing the matter fully with the Prime Minister and my colleagues. After that, if any amendments are judged appropriate they would be introduced at the committee stage.

Mr. Ritchie: As a supplementary question, can the minister say what help the federal government will be offering to provinces faced with the problem of providing bilingual facilities in some of their courts?

Mr. Speaker: Order. I wonder whether the hon. member is not attempting at this time to debate the bill which may eventually come before the house. The hon. member for Saint John-Lancaster.

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a question to the Prime Minister with respect to his remarks earlier today on the cabinet roster system, which he made with some satisfaction. Is the Prime Minister aware that the Minister of Labour is bragging publicly that on his non-attendance days he has a long, leisurely lunch in a French restaurant and is not in his office—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Inquiries of the Ministry

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I would be quite pleased to invite the hon. member—

Mr. Speaker: Order.

Mr. Mackasey: —to enjoy good cooking in an atmosphere of French culture.

Mr. Speaker: Order. This matter cannot be continued except as a point of privilege.

AGRICULTURE

CRESTON, B.C.—DECISION AS TO FEED GRAIN SUBSIDY

Mr. Randoph Harding (Kootenay West): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Has his department reached a decision in regard to the feed grain subsidy situation in the Creston, B.C. area and, if not, when is it expected that a decision will be brought down?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as the hon. member knows, there was a very important change made in this program beginning in July, 1968. We are studying the effects of the feed freight assistance program, and there is no specific date that could be set with respect to any amendments to it.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INTERVIEW WITH PAULINE JULIEN

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have a question for the Secretary of State, but in view of the fact that he is on an important mission abroad, I will direct it to his parliamentary secretary.

[*English*]

Could the parliamentary secretary inform the house whether Radio Canada, this Crown corporation which is always at the forefront in headlines, has mobilized its star reporters to greet and interview extensively that princess of separatism, Miss Pauline Julien, when she lands at Dorval shortly?

[*Translation*]

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): No, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please.

Inquiries of the Ministry

UNITED NATIONS

BIAFRA—SUGGESTED INVESTIGATION OF BOMBINGS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of constant reports of bombing, rocketing and strafing of hospitals and marketplaces and of children in feeding centres in Biafra, will the Canadian government consider asking the United Nations, or some other international agency acceptable to both sides, to investigate these allegations in the hope of alleviating the situation for the people involved?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, there is no way by which the United Nations can investigate these reports unless there are allegations of genocide. A civil war is going on, and the sooner there is agreement on the basis on which negotiations can take place the better. The delay is not because of lack of mediators. It is because of lack of agreement as to whether Biafra is going to be part of Nigeria.

Mr. Nystrom: As a supplementary question, can the government of Canada help promote such negotiations by setting up some kind of indirect negotiation with the Biafra government?

EXTERNAL AFFAIRS

NIGERIA—DELEGATION FROM SOVIET UNION

Mr. David MacDonald (Egmont): Mr. Speaker, I also wish to direct a question to the minister. In view of the alarming reports today of a high level military delegation from the Soviet Union visiting Nigeria, is the minister able to report the implications of this visit to the house?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not think it would be appropriate for me to go into an analysis of the political situation in Nigeria. I do not know there is a delegation visiting there from the Soviet Union. I think this is one of the reasons that it is highly desirable that this war should be brought to an end as quickly as possible, and I hope that all those who have influence on either side will use their influence to that end. A ceasefire is not the answer. The answer is a basis of agreement for peace talks. Until that is reached there is little hope.

[Mr. Speaker.]

EXTERNAL AID

BIAFRA—AIRSTRIP TO FACILITATE DELIVERY OF SUPPLIES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I ask the Secretary of State for External Affairs a question dealing with the matter of a truce and the conditions existing at the moment. In the light of the continuing threat of mass starvation in Nigeria, will the Canadian government reconsider giving assistance in the construction of an airstrip within the Biafran occupied territory, which could be used with the consent of all parties for the delivery of mercy supplies by day or by night?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government is not opposed to the building of another airstrip, but I think everyone will agree that the best way to get supplies in immediately is by agreement for day flights to the airport that now exists.

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the minister's remarks to the effect that there must be peace at the earliest possible date and that members should use what influence they have on all sides to this end, would the minister on behalf of the government use his good offices to urge the federal government of Nigeria to initiate at least initial discussions without preconditions?

Mr. Sharp: Mr. Speaker, I think it would be very difficult to urge upon the federal government of Nigeria a solution that contemplated the secession of Biafra.

Mr. MacDonald (Egmont): I did not say that.

HAZARDOUS SUBSTANCES

PROHIBITION OF ADVERTISING SALE AND IMPORTATION—REFERENCE TO STANDING COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. I welcome him back from his interesting and different experience in the other place. Does the minister propose to bring in Bill S-26 with amendments to deal with the very interesting change proposed in the other place?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. I intend to have the bill referred in accordance with the rules to the Standing Committee on Health, Welfare and Social Affairs. I am quite sure the committee will want to look very carefully at the issue raised by the Senate. The committee may well, within the rules of the house, make some amendments to the bill.

Mr. Baldwin: Will the hon. member for York East be on the committee?

[*Translation*]

VETERANS AFFAIRS

DELAY IN PAYMENT OF PENSION INCREASE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Minister of Veterans Affairs.

In view of the fact that the pension of disabled veterans was increased by the government on September 1, 1964, would the minister say why several of those pensioned veterans are still waiting to get that increase?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I fail to see what this is about. Pensions for veterans were increased last year, and all the people eligible for pension got it. If the hon. member wants to submit some particular cases to me, I shall be glad to hear him.

[*English*]

FARM MACHINERY

PURCHASE OF TRACTORS FROM UNITED KINGDOM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the fact that a group of farmers has purchased 16 tractors from the United Kingdom at a price about half the Canadian list price, will the minister assure the house that the Barber commission is looking into this aspect of the pricing policies of the farm machinery industry in Canada?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I can assure the hon. member that Dr. Barber is looking at the claim or allegation made by the federation which is arranging these sales.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder whether I might make the weekly statement of business. On Friday we propose to call for third reading the two agricultural bills, C-156 and C-157. Then we would call for second reading the bill to amend the Financial Administration Act. Next we would call the report stage and third reading of the bill to amend the Bretton Woods Agreements Act, and that would be followed by the report stage and third reading of the bill to amend the Customs Act.

On Monday we propose to call the National Library bill for second reading and then the second reading of the Co-operative Credit Associations bill and the hazardous products bill.

On Tuesday we would return to the omnibus Criminal Code bill. Having already had five days of debate I would hope we would continue that stage to completion. Afterwards we would have the report stage of the drug prices bill.

On Wednesday we propose to begin the second reading debate on the government reorganization bill and continue with that measure at advanced stages on Thursday next.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed, from Wednesday, February 19, consideration of the motion of Mr. Benson that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be read the second time and referred to a Committee of the Whole, and the amendment thereto of Mr. Saltsman (p. 5191).

Mr. David Lewis (York South): Mr. Speaker, I should like to make a few brief remarks in respect of this bill in order to pull together the ideas or criticisms put forward by my colleagues during this debate. I want to say to the Minister of Finance (Mr. Benson) that my colleagues and I have given very careful attention to this bill and have come to the conclusion that it is not possible for us to support it for reasons which I will shortly indicate.

First, in order to make very clear the difference in our position from that of the Conservative party and its spokesmen who have taken part in this debate, may I say that we of the New Democratic Party are in favour of appropriate and equitable estate taxes. We regard a proper and equitable taxation system as being one that should serve three purposes. First, it should, of course, raise the revenue necessary to pay for the public services. Second, it should do this in such a way as to redistribute income and wealth. Third, it should be a system which would assist economic growth.

We believe, and I have always believed, that an estate tax is a necessary tax for the purpose of redistributing income and wealth in society. No one benefits more from the collective efforts of our total society than the son or daughter of a father who, no doubt through his own efforts, his capacity and hard work but also no doubt as a result of the organization of society as a whole and the organization of its economy, has been able to amass some savings, large or small, which he hands over to his children. When a child inherits wealth at an adequate level there is no reason in the world that that child should not pay taxes toward keeping the collective society going for all the people of this country in which he or she lives and works.

So we wish to make very clear and underline as strongly as I can that we favour an equitable and fair estate tax. When a person inherits considerable wealth that person ought to pay a fair share of that wealth in order to help carry on the business of the country and maintain all the other amenities from which he and his late father benefited in order to have the wealth which is now being distributed to the child.

We also make very clear that we are strongly in favour of the amendment to the estate tax contained in the bill which refers to elimination of the tax when the inheritance goes to the spouse. We recognize that it is useful when a spouse inherits from her husband, or indeed when a husband inherits from his wife, that there should not be a tax at that point and that the estate is more appropriately taxed when it passes to a stranger or the children. So we are in favour of an estate tax and very strongly support this amendment in so far as it removes the tax from the spouse who inherits the estate.

There are other aspects of the bill, however, which we cannot support. There are other aspects with regard to the reform of our taxation structure which must be taken into account. We cannot support the minister's bill because contrary to what he and many members of his party have said during this debate the bill is not truly progressive and the rate structure is not equitable. That is the reason the hon. member for Waterloo (Mr. Saltsman) moved the amendment to the bill that it be not read the second time. We want an investigation of the entire estate tax structure to provide truly progressive and equitable rates in that structure.

The minister can talk for as long as he likes and hon. members behind him can speak for as long as they like but the fact remains that it is the low value estates in respect of which we should be concerned, the estates involving amounts between $50,000 and $100,000. These are the estates about which I am most concerned. I am much less concerned about the people who inherit from estates involving half a million dollars, $1 million or $2 million. They are not constituents of many members of the house; there are not very many of them. As a result of the progress made in the economy and more particularly as a result of collective bargaining there is a growing number of people in this country who, because they now have pension plans and life insurance policies which they did not previously have, are in the group of working people who may have estates valued at over $50,000.

• (3:40 p.m.)

Mr. Benson: Would the hon. member permit a question? I just understood him to say pension plans were involved in this. Under the estate tax, if a pension benefit went to a wife it would, of course, be entirely exempt.

Mr. Lewis: I appreciate that, Mr. Speaker, but I am not talking about wives at this point. I am talking about the point at which the estate, having been first given to the wife, is distributed on her death to the children.

Mr. Benson: The pension is gone.

Mr. Lewis: The pension may be gone but the estate is distributed to the children and may involve homes and whatnot. As a result of these developments—and whether or not the pension is entirely gone depends on whether the pension is taken in a lump sum—it may become part of the wife's estate. It may be taken in monthly payments, but if it is taken in a lump sum then by some kind of actuarially related lump sum it forms part of the wife's estate which may later be handed over.

What I am saying, without arguing with the minister about the details—and I am

happy to say, this—is that there will be greater numbers of people in Canada in the future than has been the case in the past leaving relatively small estates of $60,000, $65,000 or $70,000. The total number of people who will likely leave estates—I think the minister used this figure and I am told by other advisers perhaps not as competent as he but competent—which will be taxable is only about 5 per cent. So we are still talking about a very small number of people. Of that proportion there will be an increasing number of lower value estates included.

No matter how much the minister may argue about it, the fact is that his own tables, copies of which he supplied us, show that in the $50,000 to $150,000 level of estates, as a result of his amendment, the rate is higher and the amount paid is higher. In the case of a $60,000 estate, and I am doing this from memory but I am sure I remember correctly, the amount paid becomes $4,800 instead of $2,600 when the estate is eventually handed over.

The minister and hon. members sitting behind him continue to refer to the case where the estate is first deeded to the wife and when she dies goes to one child. If he looks at his tables he will find that in the case of a $60,000 estate it does not relate only to one child. If it involves one child the amount is $4,800 compared with $2,600. If there are two children the amount is $3,000 as against $2,600. The rate is increasing.

The other case to which the minister and the members behind him constantly point is the case where a stranger is involved in part of the bequest. Certainly the case here involves an estate left outright to a widow or stranger and an estate divided equally among the adult children. I am not going to argue with the minister across the floor because I would be out of order in any case, but I am satisfied after a careful study of these figures, as my colleagues are satisfied, that the tax which the minister is proposing is regressive at the bottom end of the scale. In some of the more important cases where the estate would be handed over the rate would be higher at the bottom end and the tax again would be higher. Let us relate that to what the economists call the effective rate rather than the marginal rate.

I hope you will forgive me for explaining that the marginal rate is the lowest rate applicable to the particular size of estate with which we are concerned. The effective rate is the rate of tax which in fact is being imposed on the taxable part of the estate after you have taken off the $50,000, let us say, and whatever other exemptions you may have the right to deduct. If you look at the effect of this tax structure the minister has presented to the house in terms of the effective rate, in other words, the rate which is applied to the taxable part of the estate, you will discover a really scandalous result.

If the taxable part of the estate is $1,000, $5,000 or $10,000, the effective rate is 50 per cent of those taxable amounts. If you get to the point where the taxable part of the estate is $30,000, the effective rate is 36 per cent. When you get to $50,000 the rate is 31.2 per cent. When you have a taxable part which is $100,000 the rate is only 29.7 per cent. If it is $150,000 the rate is only 23.4 per cent. After that it begins to climb again. So this is a regressive structure in terms of the rate that applies to the taxable part of the estate which, after all, is the part of the estate that is relevant in these discussions.

Despite the valuable parts of the amendments in respect of not taxing the spouse and having a six-year period for instalment payments, which is probably too short a period for small businessmen and farmers who do not have any cash but at least is a useful amendment, the first point we make after careful study is that it is still a fact that the rate is regressive at the bottom and in some cases it is equally regressive at the top. In some cases estates of $1 million or $1,500,000 will carry less tax as a result of this amendment than was the case under the old law.

I think the minister got himself into this position, and I give him the benefit of the doubt by thinking he was trying to make a genuine reform in this area of our tax structure, by making an *a priori* decision, the reason for which I cannot understand unless it was the result of pure conservatism with a small "c", if the Leader of the Opposition will permit me to use that word in respect of the Minister of Finance. He made an *a priori* decision that he would not raise any more from this tax under his new rates than he raised before. I think he said he would raise $2 billion altogether but would not raise any more through this tax. So when he came to the top, in order to achieve that totally undesirable purpose, he reduced the rate from 54 per cent to 50 per cent and then had to increase the rate at the bottom in order to make up the differences that might arise. In my opinion and in the opinion of all my colleagues, there is no reason in the world this tax should not raise this revenue for the government so long as the lower value estates

are protected, so long as the spouse is protected and so long as the rates are genuinely progressive and equitable—lower at the bottom and higher at the top as rates ought to be.

The minister set himself what is to me the anti-social goal that he must not raise any more when he reforms the tax system than he did before, and for this reason, also we cannot support the bill. Above all, Mr. Speaker, we cannot support it because it shows the intention of the minister to amend our taxation structure piecemeal.

The minister has had the Carter report for a long time. He not only rejected the basic idea of the Carter report but he said in the house the other day that he does not accept the principle that a buck is a buck is a buck. We do accept that principle. We may not be able to treat every buck in the same way, but a buck in the hands of a widow with only X number of dollars cannot be treated the same way as a buck in the hands of someone with X million dollars. But the principle that the recipient of any income, whether it comes from an estate or anywhere else, ought to pay a tax relative to his total income is surely correct and just.

• (3:50 p.m.)

When you have an estate tax structure such as the minister now proposes, you do not take into account the income of the legatee. If one member of a family has been successful in his profession and already has half a million dollars and another member of the family has been unsuccessful in his work in a factory, and each gets $100,000 from the estate, under this proposal they each pay the same tax. It is unrelated to the total income of the man who already has half a million dollars. He gets an additional $100,000 and has a total of $600,000, but the other one may have nothing and gets the $100,000 and that is all he has. The rate of tax on each $100,000 is the same.

The minister gets himself into that box because he is saying he is reforming our tax structure. But he is doing it piecemeal. He is dealing with the estate tax now, and I understand from something I read the other day that he will probably deal with income tax next. I do not know whether this means that at that time he will not deal with any other tax such as a capital gains tax or any of the other taxes that may be involved.

We in this party are convinced, and I would be very surprised if most members of the house did not agree, that one of the bases of any decent and just society is a just taxation structure. There is nothing more significant about the criterion of equity in a society than the tax structure which the people have to bear. If the tax structure is unfair and inequitable, if it falls on the lower incomes unfairly, if it hits the working people and the low income farmers unfairly, if it is a tax on property which is regressive, then you have one of the major unjust components in a society. If the tax structure is genuinely progressive, if you take it off the back of the home owner, if you make the tax on the lower income people equitable so that anyone with a family who is making about $4,000, which is what we have suggested, should pay no tax at all, so that there is a minimum amount on which the family may live, if the tax structure is built from there on up in order to genuinely redistribute income and wealth, then you have one of the important elements of a decent and just society. That is what we ask for.

I have a philosophy which tells me that no one person in our present society makes economic gains or economic progress on his own. I reject the notion which I have heard repeated time and time again by hon. members of the Conservative party in this house, that this fellow worked hard. Sure he did. And for every fellow who works hard and makes a million dollars there are five million fellows who work hard and cannot make a million cents. So it is not merely the hard work that produces wealth; there are other things that produce it—the total environment of society and all the tools that society gives a person with which to make wealth.

If I am a successful lawyer—assume that I am for the moment—it was not done by my own efforts. I used a law school that was built for me. I used the law libraries that were built for me, and the whole wisdom and experience of generations that somebody attempted to put into my dull head. It is the collection of all this experience over the ages, the school which was collectively provided for me and the libraries which I used which were collectively provided for me, and all that goes with them that taught me my profession. I am talking nonsense if I stand up and say I make X thousands of dollars a year by my own efforts. The deuce I do. I do it as a result of the total social environment of which I am a product, which gave me the opportunity to get the kind of education and training that enables me to command a higher income. That is no reason why I should hang on to it. On the contrary, it is a very good reason why I should pay a large part of it to the state, to society, to make up for those

millions of others who mainly for economic and social reasons were unable to get the same education and the same training so that they might make a higher economic income and have a higher standard of living.

It is in that context, as well as in many others, that we are determined to demand a proper reform of our taxation system, the application of the basic principles of Carter, the application of those principles which will make the tax structure a component, as I have said, of a just and decent society instead, as it is now in many instances, of a burden on those least able to bear it.

The Minister of Finance and the government cannot do that kind of job and will not do that kind of job because (a) they apparently do not believe in it, (b) they do not intend to, and (c) the minister is going about it in a piecemeal way. That is not the way to reform the tax structure. The greatness of the Carter report, whether or not one agrees with every word in it, is that it looked at the tax structure as a whole. It related each part. It related the question of what it called vertical equity to horizontal equity and all the other matters that go into a proper tax structure. The minister has not done that.

Certainly there are some improvements in the amendments before the house. There are many instances where one has to support a bill, even though one is not satisfied with it, because it makes some improvement. But that is not the case here. The improvements are not good enough, and as part of a total revision of our tax system the bill is a miniscule crumb. I did not say the minister was crummy. I leave it to other members of this house to describe people that way. I just said the bill was a miniscule crumb. We in this party do not intend to vote for so small and so ineffective an amendment. Indeed, we will fight, not only in this case but later when other reforms to our tax structure are put forward, for a genuine tax revision, for a really equitable tax structure. We do not intend to accept amendments such as these which do not accomplish anything in the way of fundamental justice for the people of Canada, except for the spouse, and that is not good enough for us to support the bill as a whole.

Mr. Ross Whicher (Bruce): Mr. Speaker, it had not been my intention to speak on this bill because many hon. members have spoken on it who are much more capable than I am to express opinions about such an important subject as the one before us. However, after listening to much of the criticism that has been made—as a matter of fact I have not heard any opposition speaker say that the minister has done very much to improve the situation at all—a fellow like myself can remain quiet for only so long without rising to express the thoughts that are in his mind. If no one else in this house congratulates the minister on doing a good job, I want to be one who does. I am not saying that because I happen to be a member on the government side. I am speaking now from the viewpoint of common sense. In the last few minutes we have listened to a speech by one of the finest speakers in the House of Commons. It was delivered in lovely English, but I want to say through you, Mr. Speaker, that what we just heard was the old story of socialism.

• (4:00 p.m.)

Some hon. Members: Hear, hear.

Mr. Whicher: Normally, when the socialists talk they want to give money away for this or that purpose, whether the cause is just or not. Up with the poor, and down with the rich is their motto. However, the speech to which we listened in the last few minutes was a plea to the Minister of Finance (Mr. Benson) to take all he could from the rich because they do not deserve to be wealthy. It does not matter whether they work hard to get it. Take it away from them, and if you cannot get it from them while they are alive, get it as soon as they are dead.

Surely the people in that corner of the house have learned from history that although socialism may be all right in theory it does not work out in this tough old world. Take a country like England. My goodness, fifty years ago that little island in the Atlantic ocean controlled, whether rightly or wrongly, about a quarter of the whole world. Many of the things we hold dear in Canada have their roots in that island. Many of the customs, traditions and ties which are cherished in the United States and all over the world have their roots in that island, with its splendid history. I come from English parentage and I certainly make no apology for it. I feel sorry for Britain today. I say this because it has an anchor around its neck, an anchor called socialism. Speeches of the kind made this afternoon have been made in the House of Commons at Westminster on many occasions, and that is why poor little Britain has almost drowned in the waters of socialism.

I find myself wondering how any member in the government ranks or in the Conservative ranks can put up with this nonsense. No doubt the sentiments we have just heard were phrased in the best of English. No doubt they were put forward sincerely. But let us not drown Canada in socialism. Let us stick up for it. Let us remember that being rich is no sin in this world. I agree there are some who have fallen into riches, but there are many more who have worked hard for what they possess. Thank heavens we still have a few rich people to pay the taxes, because the way we are spending at all levels across Canada today we need some of these people.

I want to congratulate the Minister of Finance. It was suggested yesterday by one hon. member that we who support the government are under instructions to vote as the government directs. Let me tell the house that I have never received any such instruction.

I say to hon. members that if changes had not been made in the earlier proposals I would have been glad to stand up for my constituents and vote against the government on this measure. Changes have been made, however. They are changes which should probably have been introduced years ago, but the fact is that they were not introduced and now they have been. The situation for years, under both Liberal and Conservative governments, was that if a man died leaving money which both he and his wife had accumulated in partnership, the wife had to pay estate duty. This was the position not only in Canada but in many other countries. Now, for the first time, the Minister of Finance has recognized the fact that a husband and wife are a team who accumulate their estates together. In future, no matter how much the one leaves the other will have to pay no succession duty whatsoever. I congratulate the Minister of Finance on making this possible, and members of the opposition should congratulate him too.

I listened yesterday to hon. members on my immediate left in the Conservative party criticizing this measure. I could hardly continue to sit in my place because I never heard so much unadulterated nonsense in my life. Succession duties, they argued, should be abolished altogether, yet this terrible government, this terrible Minister of Finance, had refused to do so. But I notice that in advocating the removal of this tax they were careful not to suggest alternative ways of raising revenue or cutting expenditure. Do they want to reduce old age pensions or family allowances? Do they wish to reduce the amount we spend trying to aid nations abroad? Do they wish to cut down the defence budget, or the estimates of the Department of Veterans Affairs? No. All they want is to do away immediately with the succession duty.

I say to you, Mr. Speaker, that the Conservatives had their chance to do away with succession duties. Unfortunately for the country they were in power for five years not too long ago. Those who are criticizing today could have made it possible for the wife to inherit her husband's estate without paying succession duty at all. They had the opportunity to provide that estates worth less than $50,000 would escape tax. But did they take any action? No. They sat in their places and did nothing. Yet today they rise one after another to criticize the Minister of Finance for the terrible things he has done.

Mr. Macdonald (Rosedale): Would my hon. friend permit a question? Does he know that it was the Diefenbaker government which introduced the Estate Tax Act?

Mr. Whicher: I am glad the minister has brought that to my attention. It was to have been my next statement. There are very few things about the Diefenbaker government and taxation which escape my memory.

Mr. MacEwan: What memory?

Mr. Whicher: The hon. member said something but I did not catch it. Here is an example, Mr. Speaker. I am sure even those with Catholic views would agree that in some instances we should permit birth control. In fact I would not mind if it was made retroactive.

Some hon. Members: Oh, oh.

Mr. Whicher: The Minister of Finance has made possible something which was not possible before. He has given people faced with payment of estate tax six years in which to meet their obligation. Perhaps this should have been done before. Perhaps the Conservatives could have done it when they had the opportunity. There is no doubt about the fact that they failed to take advantage of that opportunity. I say to members of the opposition that they should not be afraid of saying on occasion that the government has done a good job. The Minister of Finance has helped

those who have taxable estates; he is trying to keep men of wealth in Canada so we can afford to maintain the level of our services to people who need them.

I noted the statement of the hon. member for York South that he was not supporting this bill because if a man left an estate worth a million dollars the percentage of tax applied was less than in the case of estates worth between $50,000 and $200,000. Well, Mr. Speaker, I would like to get more but the fact is that men of substantial wealth are leaving Canada simply because their estates will escape death duty, either altogether or to a great extent, in the countries in which they intend to live. You can only go so far in soaking the rich. There is a point of no return.

I want to say this to my Conservative friends. As many of them know, I have had the experience of being in the Ontario legislature under the Conservative regime for many years. Before I got there a certain thing happened in Ontario of which I am sure they are not very proud. I welcome to this house, as did the leaders of the various parties earlier this afternoon, an hon. gentleman who as yet I have not had the pleasure of meeting, though I know him by reputation. I am sure the hon. member, a politician of many years standing, will understand what I mean when I refer to an act passed by the Ontario legislature known as the charitable gifts act. That act was passed by the Conservatives in Ontario to extract $2 million or $3 million from the estate of the owner of the Toronto *Star* because he was head of a Liberal paper. They did not pass that act before he died; he died first and its provisions were made retroactive. If the Minister of Finance made the provisions of this bill retroactive, you would hear these people howl, Mr. Speaker.

• (4:10 p.m.)

Why do these members not stand up and say that they have not been perfect in the past? If they had been we would not need this bill; neither would we need succession duties. They, along with the rest of us, want the elderly people, and I want my father and mother, to get the old age pension. I want my kids to get family allowances and our veterans to be properly looked after, within reason. We can make a country that is second to none.

In spite of the fact that we all kick about taxes. I have never met any person who had returned from France, Nigeria, Biafra, Great Britain, Russia or Germany who was not extremely happy to get back to Canada and help pay these taxes. I hope that whoever is Minister of Finance when I die will get a whole heap of succession duties. I will not kick about that one single bit, and I am sure my hon. friends in this house will not either.

I think I have spoken for long enough, and I am sure there are some people here who think I have spoken too long. It really depends upon where one sits. The Tories in Ontario got after Mr. Atkinson after he died and took from him $2 million or $3 million under their charitable gifts act. The Tories in this house had the opportunity for five years to change the provisions of the succession duty law but did not do so; all they did was make enemies in the United States. They are not in power today so it is nice to stand up and hit the big men, whether in Canada or in foreign countries. I am glad to say that in my opinion, and in the opinion of most Canadians, the Minister of Finance is a pretty big man who has done a good job as far as this bill is concerned.

I want to close with this point. The last speaker criticized this measure as piecemeal taxation. I agree with that. I have heard the Minister of Finance make speeches not only in this house but in other places, and he has agreed that there is a lot of piecemeal taxation in Canada. For that reason he has told the members of this house and people in other places that there is going to be a complete review of the taxation methods used in Canada during the next few months or during the next year, and all of us welcome this. I should like to inform the Minister of Finance that he is certainly going to get my vote on this measure, and he can call it any time he wants.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, it is often said these days that there are no real differences between the political parties in the country. We are told that ideology is dead. I think that the legislation before this house and the attitude taken toward it by the different parties proves exactly the contrary. It reveals a wide difference of political philosophy on the part of members of this house.

The Conservatives, if I judge correctly from their remarks, basically seem to be against an inheritance or estate tax. On the

other hand, the Liberals, in the name of reform, bring in some minor improvements to a regressive and inadequate tax system and reject any basic change in the system. The New Democratic Party stands for a new taxation system which would be demonstrably fairer, that would secure the additional revenue urgently needed if there were a reduction to be made in the crushing burden of taxation on people in the lower income groups.

We are opposed to this legislation not because we are opposed to an estate tax; quite the contrary. We believe that an inheritance or estate tax is one of the fairest means available to raise revenue. Generally speaking, an inheritance tax falls on those best able to pay, especially if we make sure, as we should, that widows and dependants are totally exempt and that the family is treated, as it ought to be, as a unit. It is also true that an inheritance tax with these exemptions falls due precisely at the time it can most easily be paid without hardship to anyone.

We in this party are opposed to the tax proposed in the bill because it deliberately repudiates the basic philosophy of using the tax system as an instrument of social justice, as an instrument to promote equality between Canadians. We oppose this legislation because it jettisons some of the main proposals contained in the Carter commission report for a fairer, more equitable system of taxation.

There has been a lot of talk about the Carter system. What, in effect, was the system recommended by the Royal Commission on Taxation? It will be remembered that it was a six-volume report of some 2566 pages. It was the product of four and a half years study by more than 150 tax experts. Some people may sneer at the accountants, tax lawyers, economists and others who prepared the report. I do not. I respect them for producing detailed proposals to create a completely new system of taxation in Canada based on equity and fairness. They were not doctrinaire socialists. Nor, as a matter of fact, do I consider myself to be a doctrinaire socialist. They took a careful look to see what was required to give Canada a tax system that would remove the undue burden of the existing tax system from the poor and place a greater burden upon those who can afford to pay, a burden on those who can afford to pay, without exemptions or chiselling.

[Mr. Brewin.]

The basic proposal of the commission was that all forms of income, regardless of source, should be treated alike for tax purposes, whether that income comes to the recipient in the form of gifts or inheritances, in the form of capital gains, in the form of earned income or income earned on property. Whatever was received would then be taxed on a progressive basis with generous exemptions at the lower level and a rising scale at the higher level.

I suggest that this is simple justice. Indeed, it is recognized in our present income tax structure. But very limited effect is given to this principle. In cases where income is earned from such sources as capital gains, gifts or inheritances, or from profits from certain tax-exempted income, there is either no tax at all—a complete exemption from tax—or there is a regressive rather than progressive taxation. Applying this general principle to the field of estate and inheritance taxes and taxes on gifts, the report of the royal commission on taxation recommended that the existing estate and gift tax acts be repealed. It also recommended that henceforth all gifts ought to be brought under the recipient's comprehensive income tax base and taxed at full, progressive rates in the same way as salaries, wages, business income, dividends, interest, capital gains, and windfalls ought to be taxed. To that proposal I say: Why not implement it? To use a crude but current expression, a buck is a buck, no matter what its source. The Minister of Finance says no. In my view the Royal Commission on Taxation was perfectly correct in saying that a buck is a buck, and the minister is wrong. A buck is a buck and ought to be treated as such.

Let me say this, Mr. Speaker. My party supports the contention that no gifts or inheritances between members of a family unit, between husband, wife and dependent children, ought to be taxable. The commission proposed that existing, gaping holes in the tax network ought to be patched so as to capture certain large gifts made by wealthy people. The result of adopting these proposals would have been a substantial increase in government revenue. The commission estimated that revenue from these sources of $140 million annually would be increased to $350 million if certain of its proposals were adopted.

I ask this question, Mr. Speaker. Does the minister despise raising money from wealthy people? Does he not wish to create the means or powers that will permit him to relax the burden of taxation crushing the small wage earner or home owner? He would have acquired these powers if he had adopted the commission's proposals. What does the minister say to the royal commission's proposals? What does he say ought to be done to put taxes in this country on an equitable basis? Although I have read the minister's speeches, I have not seen in those speeches any explanation of this point.

In the debate of February 5 the minister said that once the government had decided to retain the estate tax it was necessary for it to decide whether that tax, under its proposals, was being levied in the fairest possible way. The government considered but rejected the recommendations of the Carter Royal Commission on Taxation and rejected the suggestions regarding inheritance taxes. During that debate the hon. member for Oshawa-Whitby (Mr. Broadbent) interjected and asked why the government was adopting that position and the minister replied in words to this effect: Because we have decided a buck is not a buck and because we have decided to keep the revenue yield about the same while instituting reforms to help widows, widowers and young children.

These reforms, Mr. Speaker, may have already helped some widows, widowers and young children of ample resources. The minister has already provided for generous exemptions on estates. Yet these reforms mean absolutely nothing for those earning less than $5,000 a year. If the recommendations of the commission had been implemented all taxes paid by those earning between $5,000 and $7,000 a year could have been reduced by 7 per cent. Those earning under $5,000 a year would have had their taxes reduced by 10 per cent. Farmers with incomes in the lower brackets would have benefited from these reforms. Speaking purely of income tax, it is estimated that if the commission's report were implemented those in the lower income brackets could save up to 40 per cent of their tax bills. Farmers in low income brackets would benefit particularly from such reforms.

Is it wrong to sympathize with those in the lower income brackets who must pay income tax on a modest income and not to sympathize so much with those who are more prosperous and accumulate enough to pay estate taxes on death? I wish to make it clear that I consider special circumstances require special administrative remedies. I do not suggest for a moment that measures ought to be adopted which would, in some instances, cause the forced sale of farms to be undertaken. Implementing the recommendations of the royal commission would mean that farmers at the lower end of the income scale would pay lower income taxes.

In rejecting the recommendations of the commission the government is helping the rich. Because of pressures from special interests it seems that the government is not able to reduce taxes for those in the lower income scales who already are heavily burdened. The government has chosen to act in favour of the rich, who need its help least of all. We therefore feel obliged to reject this measure although it contains a modicum of reform. Indeed, the proposals before us seem to me to be unprincipled in the sense no principle is discernible behind them. They are regressive in their general application.

In voting in this house we all bear in mind the interests of those who elected us. The interests of most of my constituents, no doubt, are opposed to this bill—and here I am not thinking of the handful within the constituency of Greenwood who will accumulate or inherit estates large enough to attract inheritance taxes. Most of my constituents are working people earning between $4,000 and $7,000 a year. When one considers today's cost of living and the burden of taxation such people have to sustain, it is clear they cannot accumulate estates on which succession duty must be paid. But that does not mean they are not vitally concerned about the matter we are dealing with here. They are being crushed by the present taxation system which has been described, and rightly so, as illogical, inequitable and inadequate. If the government ignores the proposals of the royal commission it will have to raise most of its revenue from sources other than the rich. It will have to continue the time-honoured system, illogical, inadequate and unfair as it is, of soaking the small and moderate income earner and not soaking those who are best able to pay. I cannot vote for a measure containing such a glaring and explicit message, that the government rejects a fairer and more just taxation system.

• (4:30 p.m.)

In my judgment the words "just society" and "credibility gap" have been overworked. I conclude by saying that we cannot have a just society without a fair and equitable taxation system. We cannot have a fair and equitable tax system if under pressure of special interest we disregard the advice of experts on how to achieve this fair system. The credibility gap will be expanded until the Canadian people wake up to the fact there are real differences between political parties and political philosophies and that there is no justice without a serious search for greater equality.

Right Hon. J. G. Diefenbaker (Prince Albert): As we approach the end of this debate, Mr. Speaker, the fact that there are less than 25 members in the house indicates there is very little which can be said that is new. It also indicates the general feeling of frustration members of parliament have been developing in the last year as a result of some of the actions of the present government.

I want to refer to the amendment proposed by the New Democratic Party. It reads:

> That Bill No. C-165 be not now read a second time, but that it be resolved that in the opinion of this house, the government should give consideration to a complete revision of the federal estate tax legislation with a view to making the rates of taxation under such legislation truly progressive and equitable.

Far be it from me to suggest reasons for the adoption of this amendment. I recall during the election campaign in the province of Saskatchewan that without exception the N.D.P. candidates were entirely in favour of this legislation. They said it represented their thinking through and through and criticized me as strongly as possible for daring to criticize this anticipated legislation. They find themselves in a difficult position today. I have some of their quotations here. They quoted from one another in their opposition to the suggestion which I put forward on behalf of this party that this legislation would be detrimental to Canada. The people remember that. I remember. I recall that in Prince Albert the N.D.P. candidate said I was speaking for the rich, was devoted to supporting the rich and because of that I was opposed to this legislation.

It is of interest now that with the development of strong opposition to this bill in the intervening months there have been changes in viewpoints. So far as the government is concerned, the Minister of Finance (Mr. Benson) said over and over: "We are not going to make any change. We stand together. What we have decided will be followed. This is the most equitable bill ever presented in connection with estates and their taxation."

An avalanche of objections was received in the minister's office as well as by the office of the Prime Minister (Mr. Trudeau). This caused some second thought. The Minister of Finance, who has not been a very good prophet in the past, kept his record. He prophesied no change but he made a slight change, one that was designed to fool the people into believing that the detrimental effects of the original legislation had been obliterated by his suggested amendment.

I cannot say that today we have a government plagued by cabinet leaks because that would not describe the situation. The question has been asked, when is a leak not a leak? The answer is, when it is a flood from the cabinet of today.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: While the Minister of Finance stood on the burning deck just like Casabianca, those around him sought refuge. No doubt in caucus these matters are discussed. It is surprising that today there are no leaks from the caucus but the cabinet is an open flood.

The minister stood, he would not move. Finally there was an alteration in the legislation. The people of Canada were advised: All is well, everything has been taken care of. There is no cause for any further complaint.

I am only going to make a few references to the bill. With the exception of the minor changes it is as bad as when originally concocted and presented to the house. Yesterday the hon. member for Peace River (Mr. Baldwin) quoted from a statement made by the Liberal member for York East (Mr. Otto). No doubt members of parliament criticized. They knew what was wrong because their constituents said so. It became necessary to apply pressure. The government whip is a gentleman with a very happy disposition, but he just cannot line them up. He was unable to convince them they were on the way to disaster unless changes were made. This system was evaluated and there was no change by anyone with a sense of responsibility.

I quote from the statement made by the hon. member for York East:

> The new rules are now in effect, in the House of Commons, and since you will recall that I fought for these changes for six years—

I can just see him. Were these changes as a result of the hon. member's ideas? I was

raised in that area. I admire anyone who comes from that area, particularly when he has this capacity. I continue quoting:

I am pleased to report that the business of the House of Commons will at long last progress with some efficiency. There have been some disappointments—

One can imagine his thoughts when he used those words.

—mostly in the composition and power of the committees, because although the committees have been given a great deal of work to do, the government members of the committee have been instructed to make no changes to the bills, coming before the committee, and to vote exactly as they are told by the government.

• (4:40 p.m.)

That is what you call letting the cat out of the bag. He revealed the facts. This member valiantly stood for six long years and fought to bring about a new efficiency in parliament, but when the changes were put through this arbitrary government said to Liberal members: "This is the way you will vote." The government could have saved a lot of time if it had provided a ballot for its supporters to fill in. That would have saved a lot of discussion in the standing committees.

If the bill before us were sent to a standing committee people from all over Canada would appear to criticize it, people from all walks of life, even those represented by the Minister of Consumer and Corporate Affairs (Mr. Basford). I was out in his area and everybody I met there asked: "Where are we going in this country with a government that spends and spends and spends, and taxes and taxes and taxes?"

Mr. Basford: They have not been writing that to me.

Mr. Diefenbaker: They are beginning to realize the situation. Now we hear today that there is to be another budget.

Mr. Benson: Who said that?

Mr. Diefenbaker: At least time is set aside for one. The only hope the Canadian people have is that there will not be another budget because if there is the Minister of Finance will take another crack at them with taxes. The Minister of Finance has established for himself one of the most unenviable records for prophesy of any minister of finance in Canadian history. He prophesied that there would be a balanced budget. He was out by hundreds of millions of dollars. He prophesied that there would be only one budget. We got two within a year or a year and a half, and we are going to get another.

All across Canada people are asking, "When are we going to put an end to this spendthrift government?" I remember that when I was prime minister we spent $6 billion annually and it was said that was something terrible. Now the estimated expenditure is $13 billion. It rises all the time. But the ministers claim that they are a saving government. They save on those things where the savings are of no importance. When the Prime Minister decided that we were not going to fire guns off any more to honour the members of the royal family, all gave their acclaim. They said, "Isn't this wonderful? We are going to save $40,000. After all, there are better ways in which Canadians can show loyalty and devotion."

But then they added to the salaries of the highest paid civil servants tens and tens of thousands of dollars, and also added 50 per cent to the salary of the Governor of the Bank of Canada. "Be restrained, don't overspend, but let us go on and on," is their theory. That is what they are doing. But it is a surprising thing that while they do all these things they forget about the retired civil servants. Apparently they are not entitled to consideration. They forget about the veterans. They postpone and procrastinate but other expenditures mount and mount.

I shall be brief so that a vote can be taken at the earliest possible moment. I have tried through the years to follow a reasonably consistent course. I see an editorial in the *Globe and Mail* that has been subjected to some misinterpretation. It is entitled, "First—A Few Questions," and reads in part:

The members of the legislature think they need a raise in pay. Conservative Party Whip Leonard Reilly said last week that it was an all-party desire (naturally: this is the one area which only a John Diefenbaker would fail to recognize as non-partisan).

Some people have misinterpreted that. My attitude was clear and definite in 1963 when we raised our indemnities that the raise should not come into effect until an election enabled the Canadian people to approve. Some others had the same view, but I followed my vocal support of the principle that there should be no increases except after an election by actually doing something to which I have not referred previously. I repaid or made a grant to the government of Canada of the excess. In the year 1963 the gift amounted to $5,589.22, and in 1964 to $8,000. I returned those amounts to the Crown believing in a principle which apparently does not receive the support of the *Globe and Mail* if that

editorial is to be interpreted as apparently it was intended.

Surely we in parliament must give an example to the Canadian people. I have followed this course. It was not to my own benefit. But when I speak here I speak according to my conscience. The present government is increasing salaries in the high echelons while unemployment is mounting at a very high rate, at an inexcuseable rate because in the United States the trend is all the other way.

We had unemployment when I was in office, but the United States rate of unemployment was higher than ours. Today we have unemployment mounting when there is a general level of economic advance. People are beginning to ask, "Isn't it about time for Canadians as a whole to join in a tax revolution?" They do not mean a revolution in the ordinary sense of the term but rather to say to the government: "You have gone as far as you are going. You have increased our income tax twice. You hit us with this 2 per cent social development tax, which is a complete misnomer."

According to the premiers of the various provinces who spoke at the conference last week, the 2 per cent tax is the equivalent of seven or eight points in income tax. Where is all this going to stop? The government gives no indication that it will stop. The Minister of Finance showed a lot of courage and determination in refusing to permit amendments to his proposals until he was inundated with protests and forced to back up. Then he produced the monstrosity which we have before us today and which is designed to deceive the Canadian people. They tell us now, "You are going to have a $50,000 exemption." That is the story that is spread across the country by Liberal members—

Mr. Benson: That is not true.

Mr. Diefenbaker: —and the Minister of Finance has done nothing to half that unjust suggestion of a $50,000 exemption. If you have an estate of $49,999 you pay nothing. If you have an estate of $50,001 you pay on $30,001, as I understand it. In other words, they are taking the people of Canada for another ride while pretending that they have done something to help them.

Mention was made by a previous speaker that this is a tax on the poor, and that is what it is. Those in the lower income brackets who save during their lifetime are going to be pillaged in death. That is what it amounts to, and I for one will not support this bill in

any particular. I summarize its provisions as follows: the gift tax is greatly increased, from a present maximum of 28 per cent and accelerating to 75 per cent. Canadians do not realize yet what a ride they will get when this comes into effect because the government expects that those who might raise objection will be dead. They will be dead before there is a realization on the part of their legatees concerning the degree of taxation to which they will be subjected.

• (4:50 p.m.)

This bill in no way alters the views I expressed in April, May and June last when my friends of the N.D.P. in speeches all over the province of Saskatchewan said that this is great legislation, that it is lovely. I have the speeches here. I do not want to spoil *Hansard* by reading them. I shall epitomize them in this way: It is the finest thing ever; it will hit the rich. Let us see how it will hit the rich.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the hon. member permit a question?

Mr. Diefenbaker: Yes.

Mr. Knowles (Winnipeg North Centre): Were those speeches not in support of the Carter commission report? There might be a difference.

Mr. Diefenbaker: They were in support of this particular legislation.

Mr. Benson: It did not exist.

Mr. Diefenbaker: It was the estate tax that they were supporting. The hon. member is now trying to twist things. That is the reason for the N.D.P. amendment. It is for the purpose of getting themselves out of the cul de sac in which they find themselves as a result of subsequent events. They say, "tax the rich". This bill will strike a serious and widespread blow at Canadians everywhere. As I said a moment ago many people have been lulled into a false sense of security in the belief that it is confined to those with very large estates. As a matter of fact, on an estate of $6 million the amount paid will be less now than it was before. But who will pay the piper? It will be the smaller estates represented by the 5,700 Canadian estates taxed in the last year of record available. Eighty-two per cent of these estates are in the range of $50,000 to $300,000. These are the estates that will get hooked. When an estate reaches the figure $50,001 it is taxed on everything over $20,000.

To show how the little man will take the ride as I have stated 82 per cent of estates are between $50,000 and $300,000. Indeed, 70 per cent of that succession duty taxation has been levied on estates valued at less than $100,000. What does that mean? It means that a person who has saved or a farmer whose prices have been inflated will be subject to heavy taxation. The minister thought he had reduced something. First he said he would not change it and then he backed down and said, "Now you see it; it is fine; nobody is going to pay on anything up to $50,000". That is right. But when it reaches $50,001 that is when they catch them. This legislation will mean a drastic increase in taxes in respect of those who have saved during their lifetime to provide better opportunities for their families. This government has taxed and taxed.

The minister says there is no longer any danger that family and other small businesses will be ended. He says they are not going to allow these businesses to be sold. He says he will give them five years in which to pay. In other words, they will have five years of freedom from disaster; that is all. They are going to extend the extinction period by five years with regard to small businesses.

This legislation will spell the end of the family farm. A farmer's estate consists mainly of land and on that basis it will be almost impossible for most sons and daughters to inherit their father's farm. This is ridiculous. Here we have one minister spending money to keep young men and women on the farms and another minister taxing them off the farm. This legislation will seriously reduce the amount of funds available for investment and will unfavourably affect the development of Canadian industry by Canadians. If this bill becomes law it will diminish incentive, impoverish the provident who have worked a lifetime to give their children better opportunities in life than they have had, and will ultimately virtually socialize the Canadian economy.

Apparently this is one of the phases of the government's plan for a just society. All I can say is that it is just for the benefit of the government that it is extorting and extracting further taxation from the people. It is the act of a money-grabbing government which has been on a spending spree. I should like to hear the minister say that he will put an end to this. Some of the ministers have suggested that the government should be careful not to go on spending and spending. The government did away with the firing of $40,000 worth of gunpowder. This was done really for anti-monarchical reasons under the guise of being a saving of expenditure. I wish the minister would tell his co-spenders that this is the end and there is going to be no more increased taxation. I should like him to carry out his promise and that of his predecessors about a balanced budget, which we have not seen.

Some hon. Members: Question.

The Acting Speaker (Mr. Béchard): Is the house ready for the question?

The house divided on the amendment (Mr. Saltsman) which was negatived on the following division:

YEAS

Messrs:

Beaudoin
Benjamin
Brewin
Broadbent
Burton
Douglas (Nanaimo-Cowichan-The Islands
Dumont
Fortin
Gauthier
Gilbert
Gleave
Harding
Howard (Skeena)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Latulippe
MacInnis (Mrs.) (Vancouver-Kingsway)
Matte
Orlikow
Peters
Rodrigue
Rondeau
Saltsman
Thomson (Battleford-Kindersley)
Winch—26.

NAYS

Messrs:

Alexander
Alkenbrack
Anderson
Andras
Asselin
Badanai
Baldwin
Barrett
Basford
Béchard
Beer
Bell
Benson
Bigg
Blair
Borrie
Brown
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Côté (Longueuil)
Crossman
Crouse
Cullen
Cyr
Danforth
Danson
Davis
Deachman
Deakon
De Bané
Diefenbaker
Douglas (Assiniboia)
Drury
Dubé
Duquet
Émard
Fairweather
Forest
Forget
Forrestall
Foster
Francis
Gibson
Gillespie
Givens
Goode
Gray
Grills
Groos
Guay (St. Boniface)
Guilbault
Gundlock
Haidasz
Hales
Harkness
Harries
Hees

Division

Hellyer
Hogarth
Honey
Howard (Okanagan Boundary)
Howe
Hymmen
Isabelle
Kaplan
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Laing (Vancouver South)
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Lundrigan
MacDonald (Egmont)
Macdonald (Rosedale)
MacEwan
MacGuigan
MacInnis (Cape Breton-East Richmond)
Mackasey
MacLean
Macquarrie
McBride
McCutcheon
McIlraith
McIntosh
McNulty
Marceau
Marchand (Langelier)
Mongrain
Monteith
Moore
Morison
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Munro
Noble
Noël
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Paproski
Penner
Pepin
Pilon
Reid
Ricard
Richardson
Ritchie
Roberts
Robinson
Roy (Timmins)
Ryan
Serré
Sharp
Simpson
Smith (Northumberland-Miramichi)
Southam
Stafford
Stanbury
Stanfield
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St-Pierre
Sullivan
Thomas (Maisonneuve)
Thompson (Red Deer)
Tolmie
Trudeau
Turner (Ottawa-Carleton)
Valade
Wahn
Walker
Watson
Whelan
Whicher
Whiting
Woolliams
Yanakis
Yewchuk—159.

• (5:20 p.m.)

Mr. Speaker: Do hon. members want the vote on the main motion to be taken without the bells being rung?

Some hon. Members: Agreed.

The house divided on the motion (Mr. Benson) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Blair
Borrie
Brown
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Benson
Cantin
Chrétien
Clermont
Cobbe
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas (Assiniboia)
Drury
Dubé
Duquet
Émard
Forest
Forget
Foster
Francis
Gibson
Gillespie
Givens
Goode
Gray
Groos
Guay (St. Boniface)
Guilbault
Haidasz
Harries
Hellyer
Hogarth
Honey
Howard (Okanagan Boundary)
Hymmen
Isabelle
Kaplan
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Marceau
Marchand (Langelier)
Mongrain
Morison
Munro
Noël
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Penner
Pepin
Pilon
Reid
Richardson
Roberts
Robinson
Roy (Timmins)
Ryan
Serré
Sharp
Smith (Northumberland-Miramichi)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St-Pierre
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Whelan
Whicher
Whiting
Yanakis—114.

NAYS

Messrs:

Alexander
Alkenbrack
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Broadbent
Burton
Coates
Crouse
Danforth
Diefenbaker
Douglas, T. (Nanaimo-Cowichan-The Islands)
Dumont
Fairweather
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Grills
Gundlock
Hales
Harding
Harkness
Hees
Howard (Skeena)
Howe
Knowles (Norfolk-Haldimand)
Knowles (Winnipeg North Centre)
Korchinski

[The Acting Speaker (Mr. Béchard).]

Lambert (Bellechasse)	Muir (Cape Breton-The Sydneys)
Lambert (Edmonton West)	Muir (Lisgar)
Laprise	Noble
La Salle	Orlikow
Latulippe	Paproski
Lundrigan	Peters
MacDonald (Egmont)	Ricard
MacEwan	Ritchie
MacInnis (Cape Breton-East Richmond)	Rodrigue
MacInnis (Mrs.) (Vancouver-Kingsway)	Rondeau
MacLean	Saltsman
Macquarrie	Simpson
McCutcheon	Southam
McIntosh	Stanfield
Matte	Thompson (Red Deer)
Monteith	Thomson (Battleford-Kindersley)
Moore (Wetaskiwin)	Valade
	Woolliams
	Yewchuk—70.

• (5:30 p.m.)

Motion agreed to and bill read the second time.

Mr. Macdonald (Rosedale): Mr. Speaker, there have been consultations at long range and I think there might be a disposition to call it six o'clock.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before the house goes into committee of the whole, may I advise hon. members of the business to be discussed at the time of adjournment, which is as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Air Transport—Winnipeg, Manitoba—Recognition in setting fares; the hon. member for Oshawa-Whitby (Mr. Broadbent)—research—responsibility for government scientific program; the hon. member for Winnipeg North (Mr. Orlikow)—housing—task force—recommendation for reduced legal fees.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house in committee on Bill C-165, to amend the Income Tax Act and the Estate Tax Act—Mr. Benson—Mr. Faulkner in the chair.

On clause 1—*tax.*

Hon. E. J. Benson (Minister of Finance): Mr. Chairman, my colleague, the Minister of Consumer and Corporate Affairs, wishes to move an amendment to clause 1. This is one of four amendments to various clauses of the bill which were brought to the attention of opposition financial critics a day or two ago. The amendments result from our having gone over the bill with prominent estate tax lawyers. We discussed the difficulties that might arise from changes in the Estate Tax Act, and the amendments incorporate several suggestions.

Mr. Lambert (Edmonton West): The amendment in the minister's hand is voluminous. He was good enough to furnish certain hon. members with copies of it. I shall be content if we take it as read. With the consent of the house, those amendments might appear in *Hansard.*

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): That suits us, provided these amendments appear in *Hansard* in the place they would appear if the minister had read them.

Mr. Benson: Of course. I assume the text of the amendment will be printed in *Hansard* and in the revised bill.

Mr. Basford: I move:

That clause 1 of Bill C-165 be amended

(a) by striking out line 11 on page 2 and substituting the following:

'subsection (1) of section 27 or any of paragraphs (b) to (i) of subsection (1) of section 62;';

(b) by striking out lines 24 to 33 on page 2 and substituting the following:

'creation of a settlement under which

(i) his spouse is entitled to receive all of the income of the settlement that arises before the spouse's death, and

(ii) no person except the spouse may, before the spouse's death, receive or otherwise obtain

the use of any of the income or capital of the settlement,

or by the transfer of property to a trust that at the time of the transfer was a settlement to which subparagraphs (i) and (ii) apply, the creation of which constituted a gift by him to his spouse that was exempt from tax under this Part by virtue of this paragraph; and';

(c) by striking out line 47 on page 2 and line 1 on page 3 and substituting the following:

'the creation of a settlement or the transfer of property to a trust) made by a donor in a';

(d) by striking out lines 8 to 10 on page 3 and substituting the following:

'gifts (except a gift that is exempt from tax under this Part, a gift made by the creation of a settlement or the transfer of property to a trust or a gift in respect of which a deduction is claimed under paragraph (b)) made by the donor';

(e) by striking out lines 39 to 43 on page 3 and substituting the following:

'(a) there is only one beneficiary under the trust, other than persons who may receive, use or enjoy any of the property subject to the trust or any of the income therefrom only in the event of the death of that beneficiary before attaining such age, not exceeding forty years, as is specified in the instrument creating the trust, and

(b) that beneficiary was an individual who was living at the time when the gift was made,';

(f) by striking out lines 14 to 17 on page 6 and substituting the following:

'was made by the donor to his spouse by the creation of a settlement or the transfer of property to a trust and, before the death of the spouse, income or capital of the settlement was paid out to or for the benefit of some person';

(g) by striking out lines 27 to 37 on page 6 and substituting the following:

'(a) was income of a settlement described in paragraph (b) of subsection (1) of section 7 of the Estate Tax Act but to which clause (A) of subparagraph (i) thereof does not apply, and

(b) was paid out in accordance with the terms of the settlement.';

(h) by striking out line 35 on page 13 and substituting the following:

'property to, a trust, the trustee thereof,';

(i) by striking out line 19 on page 14 and substituting the following:

'on each portion of such tax at';

(j) by striking out lines 24 to 28 on page 17 and substituting the following:

'(ii) any deed or other instrument under or by virtue of which a usufruct or substitution is created or any real property or estate or interest therein stands limited to any persons by way of succession; and';

and

(k) by striking out line 18 on page 18 and substituting the following:

'of section 44 and in subsection (1)'.

[Mr. Basford.]

[*Translation*]

Mr. Laprise: Mr. Chairman, could we have a copy of the amendments moved by the Minister of Finance?

[*English*]

The Chairman: Would the hon. member kindly repeat his remarks. I did not hear them.

[*Translation*]

Mr. Laprise: Mr. Chairman, could we have a copy of the amendments the Minister of Finance has just moved?

[*English*]

Mr. Benson: I would be pleased to supply the hon. member with a copy. I supplied the hon. member for Shefford (Mr. Rondeau) with a copy two days ago, I believe.

• (8:10 p.m.)

[*Translation*]

Mr. Laprise: Mr. Chairman, could the Minister of Finance send a copy of his amendments to the interpreters for the information of the French-speaking members?

[*English*]

Mr. Benson: I will be pleased to do this, Mr. Chairman. I have supplied copies to the table and I have an additional copy for the interpreters.

Mr. Lambert (Edmonton West): Mr. Chairman, clause 1 of the bill proposes to delete the whole of part IV of the Income Tax Act dealing with gift taxes. The text of the proposed bill consists of 18 pages. I do not know whether Your Honour wishes the committee to adopt amendments as we go along, or to hold discussion on them before we actually come to them. Perhaps a general discussion beforehand with adoption of the amendments seriatum would simplify our procedure.

Mr. Benson: Mr. Chairman, that is quite satisfactory to me. I think we could discuss the clause as amended and then, at the end of our discussion on the clause, consider the matter of adopting all the amendments to it.

Mr. Lambert (Edmonton West): Fine. As a result of these amendments to the bill, quite radical changes to the scheme of gift tax have been introduced. These have been discussed generally. I wish to put foward some brief observations at this time.

I draw to the attention of the Committee that, as a consequence of reducing from $4,000 to $2,000 gifts that are exempted from tax, there are quite considerable changes in the law. In the previous act the exempted amount was $4,000. This change is going to cause some difficulty to people who have orderly patterns of making gifts for the benefit of their children. This, of course, applies to parents who are making gifts *inter vivos* their children. As I say, this change will cause some problems.

In addition, it has been suggested by many that the general approach to the gift tax will change the pattern with regard to gifts being made to charitable organizations or educational foundations. The exemptions are still there. This is fully understood. I have two questions to ask. Where an individual is self-employed, such as a farmer or small manufacturer, and decides to make a voluntary payment to the widow of a former employee in lieu of a pension, will this be deemed a gift to be included in the estate? This is a matter of concern for estate planning departments of insurance companies and also tax lawyers, when advising clients regarding estates. Is the client in a position to make these gifts within the provisions of the Income Tax Act and not have these gifts included in his estate when he dies, because these are by way of a recompense for services rendered? I leave that question for the minister to answer.

The second point which I would like to draw to the attention of the house concerns Section 112 (2) (b). This section deals with the gift of real estate up to a maximum of $10,000, to a spouse or, in the case of farming operations, to a child. This is a provision in the Estate Tax Act of 1958. However, farm values have increased greatly since that time. The Canadian Federation of Agriculture has made strong representations with regard to this point. I would like to hear from the minister why this figure was not upgraded.

The rationale of the government was to allow a husband to make a once in a lifetime gift to his spouse of a home or an interest in the home. Residential property values have sky-rocketed and this ceiling of $10,000 is now unrealistic. I agree a husband can make a total gift to his wife but this will be included in his estate when he dies. We are dealing here with an outright gift to the spouse of the family residence or a share of it. This is not included in any subsequent estate taxation. Under the proposed changes in the estate tax, the value of the home would be included in the estate. To that extent, the proposed changes would not benefit the widow.

What is the rationale in clause 113 with regard to marriage contracts? Under the civil law gifts made as a result of a marriage contract become an obligation and not really a gift. These should not be included in the person's estate when he dies.

My next point is in connection with clause 114 of the bill. As I understand the amendments, principal shareholders in major corporations who have earned an extensive bonus will be precluded from directing the corporation to pay this money to a charitable foundation such as a hospital, university or museum. It is my information this will now be deemed to be part of the taxpayer's income. Many hospitals, universities and art museums depend a great deal on private endowments. These will no longer be received.

I now want to draw the attention of members of the committee to page 11 of the bill dealing with the so-called progressive rates of tax on gifts. Under the existing act I believe the maximum amount payable was 28 per cent of the estate. The proposed act will now have a maximum of up to 75 per cent. I do not understand the purport of levying such a high tax. These remarks are rather limited at this time because we have already discussed the general principles, and I do not think anything would be gained by having a lengthy discussion.

• (8:20 p.m.)

Mr. Benson: Mr. Chairman, perhaps I could deal with a few of the points which were raised by the hon. member for Edmonton West. He was first talking about the gift to, I gather, the spouse of an employee who is deceased. I should point out that one year's salary can be given under the Income Tax Act, and there is an allowable deduction for the corporation or business which gives it away, and it is not income in the hands of the spouse.

In addition to this, periodic gifts could be made and would be treated as gifts, as with the $2,000 per annum per person, which is not limited to children or anything like that. You can give $2,000 to anyone, so that if it was an

employee's spouse with five children and the employer decided to give $12,000 a year to her, it would still be a gift. If the gift is made by a corporation, the gift tax does not apply anyway, as my hon. friend well knows.

Mr. Lambert (Edmonton West): I am sorry, Mr. Chairman, but I think the minister has got the wrong point. I am talking about a payment by a farmer who has had an employee on his farm for many years. The man dies leaving his widow in somewhat limited circumstances. Perhaps five or ten years later on she is in a senior citizens' home and has only the old age pension, so her husband's former employer would like to give her $1,000. He does not pay gift tax, but would this $1,000 be marshalled back into his estate on his demise?

Mr. Benson: No, Mr. Chairman, it would not be marshalled back. The only things that get marshalled back are taxable gifts, so that if you give $2,000 to 100 people in a year, a total of $200,000, they would be all non-taxable gifts and would not be marshalled back into the estate, unless of course the donor died within three years.

Another question raised by my hon. friend concerned the matter of marriage contracts. Our intention is, as indicated in the law under section 113, to treat as a gift the amounts transferred under marriage contracts when they are transferred, not at the time a promise is made but when funds are actually transferred. The mere fact that you said, "I will give something to you sometime," does not make it a gift. We are depending on the transfer of the funds as such. Otherwise, we would get into the matter of conditional gifts.

The other major question raised by the hon. member concerned the matter of redirecting of bonuses or funds derived from corporations. In our changes in the Income Tax Act, through the gift tax provisions, there is no change in this respect whatsoever. If it was income previously under section 5 or 8, or 16, the combination of one of the first two and the third one, it is still income. We have not changed the situation at all in this regard. If something was income in the hands of the individual before, and was therefore subject to the 10 per cent limitation when he passed it on, it still is income. We have not changed the situation in this regard.

Mr. Lambert (Edmonton West): I have not the resolution before me. An individual could actually have a bonus owing to him by a corporation but he could disavow it entirely. He could tell the corporation, "Don't pay it to me; pay it to X or Y hospital." That can be done under the present provisions, but if this money is now to be treated as income in the hands of the person giving the direction to have the money go to a hospital, we will have some problems.

Mr. Benson: No, Mr. Chairman, I am informed it would not be handled that way. It is treated as a gift made by him, but it is a gift that is not subject to tax. It is a gift to charity. Of course, it is subject to the normal provisions of the Income Tax Act with respect to gifts to charity.

Mr. Lambert (Edmonton West): Would it be treated as a gift within the limitations of his income? A man can make gifts to charity only within a certain limitation. This gift might take him well over that ceiling.

Mr. Benson: This has always been the situation. We have not changed it whatsoever. If gifts were made beyond the limitations, of course there were the averaging provisions with respect to them. If some things could be taxable under the proposed changes in the law they would have been taxable before.

Mr. Valade: With regard to the proposed new subsection (2)(b)(ii) can the minister tell us whether this is taking away the right of a spouse to leave some valuables to her heirs? The limitation here is to both the husband and the wife.

Mr. Benson: The provision simply allows a single gift of $10,000 in this regard. This is another question that was raised by the hon. member for Edmonton West. In changing the act it was decided to leave in the provision with respect to the $10,000 gift in the passing of a farm to a child. There is another point that I would like to clear up, and that is the amount of gifts that may be made to a child.

First, there is the provision of a $2,000 gift to anyone. Then, there is the unlimited provision of gifting to one's wife unconditionally, and she may gift to the same people or other people at her own discretion. Thus, one might achieve a position where a single child benefited to the extent of $4,000 from a husband and wife. It is quite possible, if a husband gave money to his wife and she decided to give $2,000 to her children at her own discretion, this would be quite a legitimate and tax free gift to the children. The husband of course could make similar gifts, so that one could conceive of a situation where over a

period of 20 years it would be possible to give to each of one's children providing the wife wanted to give to the children as well—an amount of $80,000 per child, which is quite a substantial amount.

Mr. Valade: My argument was not on that. I wonder why this exemption does not apply to either the husband or wife. Take the case of a woman who may be financially independent of her husband and who would like to leave $10,000 to her heirs, and the father would like to do the same thing. You are now discriminating against one or the other. It has to be a joint gift.

Mr. Benson: The main reason for this is that we did not want to double up, and thus have a $20,000 transfer in particular circumstances. Under the gifting provisions, that $2,000 to each person is generous compared with the former provisions of the gift tax where you could not give more than $4,000 to any group of people if you went over $1,000 to one. We did not want to double up and provide $20,000 in this particular circumstance because we did not think it was necessary.

• (8:30 p.m.)

Mr. Hales: Mr. Chairman, may I ask whether the wife must be a taxpayer in order to give this gift?

Mr. Benson: Of course not, Mr. Chairman. What is involved here is that under the new provisions one can give any amount to his wife at any time provided it is a non-conditional gift. Then, the wife has the same right to give $2,000 to any number of people and this does not affect the estate. The estate tax is not affected. There are really quite generous gifting conditions contained in this law. However, one would have to trust his wife.

Mr. Valade: Mr. Chairman, I think the minister answered my colleague some time ago regarding a gift made in the form of a marriage contract. There is one point which I should like to clarify. If these gifts have a value of $10,000 or over during a period of 10, 15 or 20 years and are in the form, for example, of an automobile or something like that, are they taxable at the time of the gift or are they taxable at their value at a later date?

Mr. Benson: Such a gift would not be taxable at all. Under the new provisions one may give anything he wishes to his wife. The only point I was making to my hon. friend from Edmonton West was we would not consider it as a gift until title is transferred. But one may give any amount to his wife at any time and it does not attract any gift tax whatever.

Mr. Peters: The minister has used the term "wife". What provisions are there in respect of common law wives in the arrangement of estates?

An hon. Member: There is no legal status.

Mr. Peters: The hon. member says there is no legal status, but I believe in many federal acts a legal status is provided in this regard.

Mr. Baldwin: What about children in common law marriages?

Mr. Benson: Under the tax laws in Canada there never has been a legal status for a common law wife. In the general review of the taxing acts in Canada which is being carried on at present I am not sure that this is not a matter that we should take into consideration, but in this law we are not changing anything. There is no provision with regard to common law wives.

Mr. Peters: Although I realize this probably is a matter which is not entirely within the purview of the bill we are discussing, I believe the federal government has made concessions in this area in respect of other acts such as the Veterans Affairs Act. I am particularly interested in the transfer of gifts given during the lifetime because certainly this would be a common practice, amongst those involved common law relationships. However, there is another situation. I have in mind particularly a case in my area which I would not like to see occur again. It involved a man who had been living with a woman for 35 years. Originally, he had been married. A divorce proceeding had been instituted but the final decree had never been issued for some reason or other. This man had a railway pension and little else except a house. The house went to the common law wife but the pension went to the woman with whom he had not been living for 35 years. She, too, was living common law with another man. She received the money from his government pension.

Some hon. Members: Oh, oh.

Mr. Peters: I love these holier than thou members who think these things do not happen. I am pleased they can be so damned pure. There are many, many people who for some reason or other enter into common law relationships. I suggest we should write into this bill an amendment which would take care of this situation. I understand that in respect of the legislation affecting veterans the Department of Veterans Affairs applies a number of criteria that are fairly easy to establish. It would seem to me that, at least in respect of some of these provisions, a formula should be established by which a person may designate a spouse.

In the example I gave concerning the railway pension, the person concerned had thought this matter was taken care of in his will. He had written in the provision that the pension be left to Mary Jones. He gave his last name. In other words, he included the person's proper name and then his name. He spelled it out. This was good enough for the courts so far as the disposition of his house and property were concerned but the pension went to the wife with whom he had not lived for 35 years.

The criteria which I understand is used by the Department of Veterans Affairs is that the man must have lived with a particular woman in a community, established credit on her behalf, recognized her as his wife, provided for her fully and, in some cases, repudiated the previous wife. Despite some of the holier than thou members, I think the minister should give some consideration to this. I believe the minister will agree that this problem affects quite a number of people. I can think of a man in my own town who has two wives living in the community. I am sure he intends to leave something for both of them. He has a very large estate which runs into millions. The problem in such a case could be very great. Children are involved in one of the relationships.

This may not be the proper legislation under which to deal with a situation of this type, although I believe very often such a situation will have to be dealt with under this legislation. I suggest we should provide some type of protection for the person whom a man may designate as his common law wife or the wife with whom he intends to split the estate for the reason that he shared that estate with her for a long period of time.

Mr. Benson: My experience through having to deal with matters of pensions on the Treasury Board has been that the matter of common law wives is a very difficult one. The difficulty lies in deciding who really is entitled to receive a particular pension. Under the taxing statutes we have never really recognized the position of a common law wife, although I would hate to say how many people have filed tax returns stating that: My wife is Mrs. So and so, claiming them as such.

• (8:40 p.m.)

I should like to inform my friend that in the review of various taxation matters with a view to tax reform, it is my intention that this matter be looked into very carefully. It would be nice to work out some rules so one could be in the position of recognizing the realities of the particular situation without taking away the benefits that a person who may have been a wife might ultimately have had. This is a very difficult matter, but I can undertake to my hon. friend that this is under review and we are looking into the situation very closely.

Mr. Baldwin: Mr. Chairman, I do not want to give away free advice or suggest an improper arrangement, but let us consider the case of a common law relationship. If provision were made, either at the time of death or before, to transfer property in the form of cash or otherwise to a person in this relationship for valuable consideration such as housekeeping or other valuable services, would that transfer not be taken out of the category of a gift? Unless there has been some change, would I not be correct in that regard?

Mr. Benson: That is quite true but the question arises to whether such transfer is income in the hands of the person involved. This is a complicated matter to work out. I hope that the unfortunate situation we have had in Canada in respect of common law wives, and various other marital difficulties, will be alleviated to some degree as a result of what I think was a very wise piece of legislation passed by this house last session in respect of divorce. I hope a great many of these cases will be cleared up. I undertake to carry through with an examination of the position of common law wives in respect of the matter of taxation.

Mr. Hales: Mr. Chairman, I hope the minister will pardon my ignorance in respect of this tax free gift of $2,000. Let us suppose a father gave $2,000 to each of five children, totalling $10,000. In respect of the giver and

the receivers there is no tax paid. On the death of the giver is that $10,000 charged back as part of the estate, and does it become taxable as part of the estate?

Mr. Benson: Mr. Chairman. The only circumstances under which it would be added to the estate is if the gift was made within three years prior to death. We have not changed that situation at all for estate tax purposes. If you look at the Ontario succession duty situation, which is quite a different matter, the period is five years. It is only those gifts made within three years immediately preceding death which are added to the estate, although all gifts over the $2,000 level are taken into account in determining the rate to be applied to the whole estate.

Mr. Hales: If the gift was not made within the three year limit and there were no estate what would be the situation?

Mr. Benson: Then, there would be no tax.

Amendment to clause 1 agreed to.

Clause 1 as amended agreed to.

Clause 2 agreed to.

On clause 3—

Mr. Benson: Mr. Chairman, I believe that my colleague, the Minister of Consumer and Corporate Affairs will move an amendment to clause 3. This amendment has already been circulated to members and critics of the opposition. In line with the agreement we arrived at previously, I assume I do not have to read the entire amendment but that it will be printed in *Hansard*.

Mr. Basford moved:

That clause 3 of Bill C-165 be amended

(a) by striking out lines 4 and 5 on page 21 and substituting the following:

that can, within six months after the death of the deceased or such longer period as may be reasonable in the circumstances, be

(b) by striking out lines 15 and 16 on page 21 and substituting the following:

six months after the death of the deceased or such longer period as may be reasonable in the circumstances, be established to be

(c) by striking out lines 37 to 46 on page 21 and lines 1 to 8 on page 22 and substituting the following:

capital of the settlement, and

(ii) no person except such spouse may receive or otherwise obtain, after the death of the deceased and before the death of such spouse, any of the capital of the settlement or any use thereof, or any of the income of the settlement to which such spouse is entitled or any use thereof,

or by the transfer of property to a trust that at the time of the transfer was a settlement to which subparagraphs (i) and (ii) apply, the creation of which constituted a gift *inter vivos* by him to his spouse that was exempt from tax under part IV of the *Income Tax Act* by virtue of paragraph (e) of subsection (1) of section 112 thereof;

(d) by striking out lines 15 to 21 on page 22 and substituting the following:

can, within six months after the death of the deceased or such longer period as may be reasonable in the circumstances, be established to be vested in the child for his benefit indefeasibly, or subject to defeasance only in the event of his death before attaining such age, not exceeding forty years, as is specified in the will or other instrument under or by virtue of which the property so passing became vested in him, except any such property comprising a gift described in paragraph (b) or (e) consisting of a pension or compensation described in paragraph (f) or (g)

(e) by striking out lines 24 to 42 on page 23 and substituting the following:

'tion, pension or death benefit payable or granted

(a) out of or under any fund or plan established for the payment of superannuation, pension or death benefits to recipients, or

(b) out of the revenue or Her Majesty in right of Canada or a province or under or subject to any Act of the Parliament of Canada or of the legislature of Canada or of the legislature of a province,

to the spouse of a deceased on or after the death of the deceased in respect of such death, subject to a provision that such benefit ceases to be payable to such spouse if he remarries, shall not, by reason only of such provision, be considered not to be vested indefeasibly in him.

Mr. Lambert (Edmonton West): Mr. Chairman, apparently this is one of the penultimate or ultimate changes made by the minister as announced on December 27 providing for the common disaster clause in wills. I am rather surprised that it has not occurred to the officials of the departments of finance and national revenue that in perhaps 75 per cent of the wills prepared in this country involving a husband and wife there is no disaster clause. In this day and age, I think the minister is quite right in providing a six month safe haven. I have not seen a reference in any document to this six month clause. The 120 day provision is by far the most extensive I have seen, but I think the minister's officials were wise in advising him to put in the six month period.

Aside from that I have nothing more to say in respect of this particular clause.

Amendment to clause 3 agreed to.

Clause 3 as amended agreed to.

On clause 4—*Computation of tax.*

Mr. Lambert (Edmonton West): Mr. Chairman, I should like to draw members' attention to the fact that in this particular clause we see how long the teeth are in this act. To use another metaphor, we see how big the bite will be in respect of taxable gifts. This is where we see the acceleration from a maximum of 28 per cent at the top range, as it existed in the old act, to 75 per cent, if the gift exceeds $3,000. In my initial remarks I tried to obtain a rationale from the minister as to why he decided to go so high.

Mr. Benson: In clause 4 we are dealing with estate tax rates rather than gift tax rates. Let me indicate with regard to the increase in the gift tax rates, which we passed a little bit earlier in the amendment to the gift tax part of the measure, that the reason for this really was that gift transfers from large estates in Canada were taxed at 28 per cent, thus avoiding the top estate tax rate.

Mr. Lambert (Edmonton West): I am afraid I have introduced an element in so far as gifts and estate taxes I did not intend, because the maximum rate was 50 per cent on a much higher level, namely $1,750,000.

Mr. Benson: If I might conclude, what we have done in effect is close up what I consider to be a loophole in respect of very large estates. This low rate gifting did not apply to the average person, but only to very large estates. That loophole has been closed as a result of the change to the gift tax rate.

I should point out that I understand there is a proposal in the United States to do exactly the same sort of thing. However, gifts or bequests from a spouse to a spouse are entirely eliminated from taxation. So, a pension benefit given to a wife is not taxable in her hands and so on.

• (8:50 p.m.)

Also, there are some great advantages given for people who die and have young children. Perhaps I could just give an example. If someone has children aged five, seven, nine and eleven, and he dies, he would be able to leave in his estate $125,000 to the children, plus any amount without limit to his wife; and the whole estate would be entirely free of estate tax.

Another benefit included is with regard to invalid children. One thinks of spastics, mongolian children, and that sort of thing. The exemption for such a child has been increased. Therefore, if one had one child such as this, one could leave up to a maximum of $100,000 which would be entirely exempt from estate tax. In order to make up for this the rates on other estates had to be adjusted if we were to reach the position where we did not reduce the over-all revenue from the estate tax. This was done by reducing the top rate from 54 per cent to 50 per cent and moving it back to apply to marginal amounts from $300,000 upwards.

In spite of a great deal that has been said in this debate, if one looks at where the revenue will come from in the future you will see that the real bite will be on estates which are above $300,000; that is, the top hat estates. This is done in order to pay for the benefits given, first of all, to the surviving spouse, the benefits given to people who die and have yound children and the benefits given in the case of someone who dies and has an invalid child. This was really the theory behind the change in the rates.

Where there is a single child, the rates are somewhat higher than they would have been before. Let us look at the case of an estate to which three or four children are heir. If you look at the rates generally, you will find that the estate tax is less until one gets up to estate of approximately $200,000. But where there is a single child, the rates are slightly higher. For two children, the rates are slightly higher than they were previously. We tax more where the estate is left to a stranger. If I happened to have a rich uncle who left me $200,000, my estate tax would go up about $12,000. We felt these were circumstances where you could legitimately look for more funds with which to make up for the benefits given to those people I mentioned earlier.

Mr. Lambert (Edmonton West): Mr. Chairman, in some ways I am confirmed in the views I expressed during the budget debate, namely, that the minister had for some purposes abandoned the principle of estate tax and had gone back to the old succession duty. The differentiation is made with regard to the ultimate beneficiary. The rate depends upon the nature of the beneficiary. I remember the debate with regard to the proposal put forward by the officials of the Department of Finance and the Department of National

Revenue, when it was said that this was a great step forward, that the law was being simplified. Now, the wheel is turning full circle. I rather suspect that now the minister has his toe in the door, we will see some further changes in this regard and will be back strictly to a succession duty type transfer where the nature of the beneficiary determines the rate of tax.

The minister may feel that he is transferring the emphasis of the tax load, with regard to estate tax, to the more affluent estates. I ask, what guarantee has he that those in the upper income brackets will just not leave this country? Already we hear very distinct rumblings of people going to some of the Caribbean countries, not only those who have estates of over $1 million or $1,500,000 but those with estates of lesser value. I have heard these rumblings from a great many business men in Toronto, Montreal and out west whose estates come into the $500,000 or $750,000 range. These men have been successful as a result of their operations during the last 20 years. One man told me the other day: If my children were not in high school here, I would leave right now and take everything with me. He said: They will clean us out.

This is the sort of mental attitude with which we must deal. It may be justified; it may not be justified. However, the minister cannot escape the fact that this attitude is very prevalent. These are the people who are providing the investment capital in this country. If the minister wants to drive away Canadians who have money to invest, he will have to find some other means of obtaining this capital. Therefore, he is taking a very grave, calculated risk, in my opinion. The minister is penalizing these people by simply saying: We will just transfer the load with regard to estate tax, and provide for other things.

The minister says that we must obtain this revenue. Not all these people have inherited large estates. When we were listening this afternoon to the hon. member for York South (Mr. Lewis) I felt like saying that it is not just a case where a man has enjoyed certain social amenities like schools, colleges and what have you, and therefore he should repay his debt to society. A man may succeed because he is more prudent, has worked harder and has perhaps stayed sober more often than another fellow. He may not have spent as much time on the golf course as another man, and so forth. The result of this measure is an exceptionally high penalty on estates of the size that will be subject to a very heavy tax load.

The same thing has been done in Britain, and we know what has happened in that country. Capital has been driven out of Britain. The capital has left that country, and we have inherited the brains and ability from that country. This situation has resulted from the tax laws enacted in Britain which have driven the best people out of the country. We will do the same thing if we adopt what I think is a very shortsighted principle with regard to taxation in this country.

Mr. Hales: Mr. Chairman, I wonder whether the minister could give the committee some of the reasons why he did not take into consideration today's highly inflated prices of products and services. It is not a very large estate that adds up to $50,000 today, when one bears in mind the price of property, farms, and so on. It seems to me the minister has failed to take this fact into consideration in making these adjustments. The value of small businesses reach this sum in no time. The price of homes, for example, is today very high. I think the minister has completely overlooked the inflated value of property, businesses and estates in setting up these schedules and adjustments. No thought seems to have been given to these people.

• (9:00 p.m.)

Mr. Benson: I can assure the hon. member we did take into consideration the problem of increasing values due to rising price levels, but I must get back to the point that we are trying to benefit certain people through this legislation and the bill for them must be paid somehow. Remember, no estate under $50,000 is taxed at all, even if it is left to a fourth cousin in Russia, or to a complete stranger.

Mr. Hales: But if it is $1 over—

Mr. Benson: Then fifty cents estate tax would be payable. That is all. In the second place, transfers to widows are entirely free of estate tax. Third, if hon. members look carefully they will find that the estate tax exemptions are much more advantageous where there are several children, making it easier to pass estates on to them. Over-all, under these provisions, families with three or four children are much better off than they were previously, until the estate gets up to a couple of hundred thousand dollars.

The money to make up for this has to come from somewhere, so it comes from people who leave money to strangers. Where there is

one child, or two children, the tax is probably a little more, and estates worth more than a couple of hundred thousand dollars are taxed more heavily.

In the valuation of estates one has to have regard to fair market value. There has been a good deal of comment about unfairness in valuing land and other assets. I should point out that the initial valuation is made by the executor who files the return. The department looks at this and only if it appears unfair does it apply a different valuation. This assessment is, of course, subject to appeal through the normal procedures under the tax acts, so if it can be said that anyone can get justice in connection with the taxation of income in Canada it can also be said there is justice in connection with the taxation of estates as far as the value of an estate is concerned.

Mr. Hales: What the minister has said means nothing as far as I am concerned. The minister talks about officials appraising the value of a property. The price of the property is set by the prevailing price applicable to neighbouring farms, or property down the street. It is an inflated price. When he tells us he is taking more from people with larger estates, he is really saying that this proposal will penalize those who have saved their money and invested it, those who have helped this country to develop, and made Canada what it is today. The minister is penalizing those who have helped build up this country.

Mr. Benson: What the hon. member is doing is this: He is advancing an argument against estate tax per se. He is not putting forward an argument against the amendments I have made to the act. In fact, a great many of the arguments which have been advanced during this debate are not arguments against changes in the estate tax but arguments against the estate tax itself, which, I might point out, was introduced by the Conservative government when it was in power.

Mr. Baldwin: An important aspect of this question is what constitutes fair market value. Would the minister consider giving advice to the assessors of his department to bear in mind at the time of making an assessment the very doubtful value, present and potential, of the property concerned while the present government remains in power?

Mr. Benson: I should simply like to say that as long as the present government remains in power the value of the property is likely to increase. In times of Conservative depression, it might go down.

An hon. Member: You are getting cheeky.

Mr. Benson: No. Really, I am not. I should like to say that the value placed on an estate must be the fair market value, the price at which it can be sold today. Anyone who thinks he has been unfairly treated in this regard should go to the courts and get justice as I believe he can in the courts of Canada.

Mr. Lambert (Edmonton West): I should like to clear up one point. No one has suggested there should be no estate tax. The objection has been to punitive taxation, what I call punitive taxation of excellence. And the people who hold the bulk of the investment in this country are selected as fair game. Everyone in this category is deemed to be a fat cat.

The Chairman: Shall the clause carry?

Mr. Lambert (Edmonton West): On division.

Clause agreed to on division.

On clause 5—

Mr. Benson: My colleague, the Minister of Labour, would like to move an amendment to clause 5, one which has been circulated. I think it could be included in *Hansard* without being read out, as has been agreed with the Opposition parties.

Mr. Mackasey: I move:

(a) by striking out lines 25 to 27 on page 29 and substituting the following:
'secured (except'; and
(b) by striking out lines 39 to 45 on page 29 and substituting the following:
'municipality, negotiable instruments, and all other debts under seal except such of those other debts under seal as are owing by Her Majesty in right of Canada, shall be deemed to be situated in the place where the documents in evidence of the indebtedness were located at the time of death" '.

Mr. Hales: Would the minister give us the page number? This is a long bill and the clause is not easy to find.

The Chairman: This is on page 27.

Mr. Lambert (Edmonton West): In this connection, I should like it to be crystal clear what is deemed to be the location of the documents of evidence of indebtedness. Is it the share certificate, or the register office or the transfer office? There seems a great deal of difference in points of view in this regard.

For example, a person living in Saskatchewan who dies owning shares in a company whose head office is in Quebec, when there is no transfer office in Winnipeg, Regina or Calgary, has to transfer them through the Montreal office and they are hit by Quebec succession duty. For the purpose of this legislation, I want it to be absolutely clear where the situs of this evidence of indebtedness will be.

Mr. Benson: We do not deal with the location of shares in this particular change. It does deal with negotiable indebtedness, and the location of the indebtedness will be where the bonds, notes and so on are physically located. That is the position with respect to the estate tax. This applies to bonds, notes and so on. It is a matter of where they are physically located at the time of death.

Mr. Lambert (Edmonton West): What about shares which are not registered? What about open certificates which may be signed over?

Mr. Benson: Generally, the shares are located at the nearest transfer agency.

Amendment agreed to.

Clause as amended agreed to.

Clause 6 agreed to.

Clause 7 agreed to.

On clause 8—*Election by executor.*

Mr. Lambert (Edmonton West): This Clause deals with the so-called election by the executor to defer tax. In the old act it was meaningless because the conditions were so difficult to comply with. Now, it is indicated that an executor may elect to defer payment of tax over a period of five years at a rate of interest. It has been stated this will likely be the market rate, but it seems to me, reading the amendment put forward, that the rate of interest will be 6 per cent. Would the minister kindly confirm this impression or indicate where I may be wrong?

• (9:10 p.m.)

Mr. Benson: The rate which will be used is the rate established by the Governor in Council. We have not up to this point established a rate, but we shall establish it when the act receives royal assent. I would think that the rate here needs to be somewhere near the current mortgage rate, though this is my personal opinion. We must not put ourselves in the position where we encourage people not to make payments to the Crown because they can invest their money somewhere else and get a greater return on it. In effect, they would be making money but not paying their estate tax. Therefore, I think we have to move somewhere near to the current first mortgage rate in this regard so that everybody is given the opportunity to make their payments over a five year period, at the same time extending no advantage to people who withhold funds from the Crown and invest those funds to make money.

Mr. McCutcheon: Mr. Chairman, I appreciate the minister's remarks about mortgage rates, but would he be more specific? There are many mortgage rates in Canada today. For example, there is the mortgage rate of the Farm Credit Corporation which is 7 point something per cent. There is the mortgage rate under the National Housing Act which is 9 or 10 per cent. Then, there is private mortgage money probably at 10 or 12 per cent. Would he be a little more specific?

Mr. Benson: I am thinking not of a preferential rate, such as the Farm Credit Corporation rate. I am thinking more of a rate similar to the rate at which C.M.H.C. make direct lending, some rate such as that adjusted annually.

What we are trying to do is to refrain from putting people in a very difficult position. We are allowing them to pay their estate tax over a period of time. However, we do not want to put people—and I think particularly of those with large estates—in the position where they might find it of great advantage to get money from the government of Canada at 5 per cent and invest it at 9 or 10 per cent while withholding their estate tax for five years. We should not encourage that sort of thing. The rate should not be punitive but somewhere in the region of the rate at which C.M.H.C. makes direct loans.

Mr. Lambert (Edmonton West): Mr. Chairman, I think there is some illogicality in what the minister is saying. Surely, the executor will elect to defer payment of duty in a case where there are insufficient liquid assets to take care of the estate tax. After all, that is the purpose of the deferment.

Mr. Benson: That is right.

Mr. Lambert (Edmonton West): But if there are no liquid assets, how can the money be invested at a higher rate, in effect getting a benefit from the Crown at 7 or 8 per cent interest? The minister knows the problem here. We are considering the liquidation of shares in private corporations in cases where

the market may not be ripe for it. We are talking about the liquidation of land holdings or any number of payments out as a result of the passing of farms. A five year period will mean tough going to clear that sort of thing.

I do not think that the minister is right in saying that people will take advantage of that situation. On the basis of the return made by the executor, it will be clear whether there are liquid assets. Surely, there will not be any possibility of their claiming they want to defer payment if they have the cash to pay the estate tax.

Mr. Benson: The Minister of National Revenue made a subjective judgment as to who should pay the tax and who should not. The aim of this provision is to give people the right to postpone estate tax payments over a five year period. Under the revision to the act this is now a right, instead of the matter depending upon a subjective judgment of the Minister of National Revenue.

Since that right will exist, the rate must also be fixed at the current market rate. Otherwise, people with large estates who have the right not to pay the tax if they do not want to will, if they can, invest the money and make a profit.

I should also point out that where somebody comes to the minister and says: "I can't pay and I should like to put the payments off and pay only the maximum of 5 per cent under the act", and the Minister agrees he will be permitted to do so; the 5 per cent provision is still left in the act. So, if somebody proves to the minister that his assets are non-liquid, that he cannot afford to pay the current market rate and asks for a postponement, he can still pay 5 per cent interest. But at the same time we have moved beyond that and given everybody the right to put off their payments, though they have to pay the current market rate if they choose to do that.

Mr. Hales: I think that the minister should be more precise about the rate of interest that is to be paid. This is left wide open. I do not know why the rate cannot be written into the act, say a rate that is one half of one per cent over the Bank of Canada rate at the time. As it is now we are buying a pig in a poke. The rate should be prescribed in the act, as it is in other cases.

Mr. Benson: We are not eliminating the 5 per cent rate in the act. If someone can convince the Minister of National Revenue that he cannot pay the tax, and there have been

40 such applications in the last ten years, then he can borrow money at 5 per cent. That provision is still in the act. If one built into the act the right for everybody to put off paying their tax for five years if they wanted to, then the interest rate would have to be subject to adjustment either up or down as the current rates of interest in Canada change. Otherwise, people with large estates would find it advantageous to postpone paying their tax for five years because they could borrow money from the government at 5 per cent and reinvest it at 10 per cent. We do not want this. We want to give them this right, but we do not want to give them an advantage. The rate of interest in the cases I am talking about is a rate that is approximately the prime rate of C.M.H.C. for direct lending.

Mr. St. Pierre: Mr. Chairman, I am rising because I want to seek clarification. A few minutes ago the hon. member for Edmonton West said that nobody suggested there should not be an estate tax in Canada. This has been suggested in precise terms by spokesmen for the Ralliement des créditistes and also by a spokesman for the Conservative party, the hon. member for Frontenac-Lennox and Addington. In his remarks, as reported at page 5719 of *Hansard*, he said:

> In my submission, if one considers all the circumstances this tax has no merit and there is no place for it in our society.

Then further on the same page:

> There are too few estates in this young country—

The Chairman: Order, please. Is the hon. member speaking to clause 8? The committee is dealing specifically with clause 8.

Mr. St. Pierre: I was asking for clarification of Conservative party policy.

Mr. Simpson: Mr. Chairman, I hope I misunderstood the minister, but I thought I heard him say that the 5 per cent rate is in the act and applies to persons who can convince the minister they are not in a position to pay the tax at that particular time but want to pay it in instalments. Did the minister say that this rate is now done away with?

Mr. Benson: No.

Mr. Simpson: Then, it is still in the act. In other words, in the exercise of his discretion the minister will allow certain people to pay their tax at 5 per cent on a five year basis; other people who fail to convince the minister

will probably have to pay 9 or 10 per cent, is that right?

• (9:20 p.m.)

Mr. Benson: There is still provision in the act for those suffering from hardship to go to the Minister of National Revenue and, if they convince him that the case in fact constitutes a hardship, to be eligible for the 5 per cent interest rate. In addition, under this new bill everyone has the right to postpone payment of the tax for five years. Anyone so postponing payment will have to pay interest on the amount owed which, in my opinion, should be at a rate similar to that charged on C.M.H.C. mortgages.

Mr. Simpson: I take it, then, that there will be two interest rates or two rates of tax.

Mr. Benson: There will be two rates of interest.

Mr. Simpson: One of those will be at a maximum of 5 per cent, I take it, and the other one possibly will be at current C.M.H.C. mortgage rates.

Mr. Benson: That is right.

Mr. Hales: Mr. Chairman, we ought to look into this matter because here is a flagrant abuse of ministerial discretion.

Mr. Benson: The ministerial discretion is already in the act.

Mr. Hales: May I finish my remarks, Mr. Chairman? I submit that here we are giving the minister a discretion. He has the right to decide what are hardship cases and what are not.

Mr. Benson: It has always been so.

Mr. Hales: The minister said that hardship cases would be entitled to take advantage of a 5 per cent interest rate. What if those applying were members of the Liberal party—

Mr. Benson: Come on now—

Some hon. Members: Oh, oh.

Mr. Benson: On a point of privilege, Mr. Chairman, may I point out that the matter of ministerial discretion or judgment was included by the Conservative party in the provisions of the estate legislation that that party introduced.

Mr. Hales: I will withdraw my remarks.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Hales: I remember when the members on the government side were in opposition, Mr. Chairman. We spent hours and hours discussing the subject of ministerial discretion and the granting of such discretion to the minister of national revenue and the minister of finance. I well remember how earnestly and sincerely Mr. Pickersgill spoke on the subject. Now, it seems, the minister has a double ministerial discretion. He has the right to do two things and I submit it should not be so. Someone may come to the minister with a soft story and say, "I cannot afford to pay because I have no money," and so on. The minister may reply, "All right, your interest rate is set at 5 per cent". On the other hand the minister may say to someone, "No. You cannot pay at the 5 per cent rate. You must pay the tax over a period of years, but we do not know what the interest rate on the debt will be since no rate is included in the act." It is clear that here we have ministerial discretion of the worst kind. It is much worse than any I have seen in other acts. You can have it one way or the other, but surely you cannot have it both ways.

Mr. Benson: The purpose of the amendment is to remove the threat of grave injustice that could be perpetrated as the result of using ministerial discretion. That discretion has always been in the act. In the last ten years I believe only 40 cases of alleged hardship have come before the Minister of National Revenue. Twelve of those applicants were deemed to be hardship cases. The other 28 cases had to pay their tax immediately. They had no right of postponement. That provision has been amended so that now the Minister of National Revenue may say either "This is a case of hardship, and the rate of interest to apply will be 5 per cent" or "This is not a case of hardship." In the latter case the applicant has the right, as has everyone, to pay his tax over a five year period, with current rates of interest applying to his debt. That is a big improvement over the old situation.

Mr. Hales: It is important, I submit, for us to have a better definition of hardship than we have at present.

Mr. Lambert (Edmonton West): The minister has been leading us astray a little.

Mr. McIntosh: Mr. Chairman, I should like to see a better definition of hardship written into the bill. I represent a rural riding and am interested in how this bill affects the family farm. Last night, I believe, an hon. member on this side of the house spoke of one who inherited a farm and had to pay a tax of approximately $26,000. I do not know whether the minister is listening to me.

Mr. Benson: Of course, I am.

Mr. McIntosh: The inheritor of the estate, under the new legislation, I believe is liable for more than $4,000 in interest. I wonder how any farmer in straightened circumstances can afford to meet his payments when we consider that in western Canada farmers are on a six bushel quota and may be on that quota for some years. Farmers will not be able to make money on their wheat, largely because of government regulations. As a result, there will be many cases of hardship among farmers. I wish to know what will happen in such cases.

Mr. Benson: It is all a matter of whether cash is available to pay the tax. May I point out that section 16 of the Estate Tax Act has not been changed. It reads:

> Notwithstanding the provisions of this Part respecting the time within which payment shall be made of any amount as tax under this Part by the executor of the estate of a deceased or by a person as the successor to any property passing on the death of a deceased, where the Minister is satisfied that payment of any such amount as tax under this Part cannot, without undue hardship or excessive sacrifice, be made within that time, the Minister may defer the time for payment of that amount or any part thereof for such period, on such terms and on payment of such interest, not exceeding 5% per annum, as to him seems equitable and proper.

That discretion has been left intact in this legislation. Previously, if the minister found there was no case of hardship, the applicant immediately was liable for the tax in full. That has been changed. The only penalty an applicant must incur, under the new legislation is the payment of interest on his debt at current borrowing rates. As I say, previously he had to pay the entire amount owing.

Mr. Simpson: Does it not occur to the minister that in cases of hardship the imposition of a 5 per cent interest rate will mean a further hardship.

Mr. Benson: Mr. Chairman, I ought to point out that such interest paid on estate tax debts is deductible for income tax purposes. That

provision will reduce the effective rate of interest.

Mr. Schreyer: Mr. Chairman, under this legislation the minister has the option of ordering an applicant to pay interest at the rate or 5 per cent or at a rate current in the market. I wonder whether that provision takes into account all those with special problems. Might it not be wiser to have interest rates set at the discretion of the minister in all cases other than hardship cases?

Mr. Benson: Mr. Chairman, we have said in the bill that the rate is to be determined by the Governor in Council. I still think the provisions of this legislation are fair. The Minister of National Revenue may say, "This is a hardship case". In that case the rate of 5 per cent applies. But we do not want anyone to make money as a result of paying estate taxes a certain way. As I have said, the interest paid on estate tax—this includes those amounts paid where the interest is at 5 per cent—is deductible for income tax purposes. Therefore, the effective rate of interest will be somewhat lower than 5 per cent in hardship cases.

Clause 8 agreed to.

• (9:30 p.m.)

On clause 9—*Property transferred or acquired under agreement, etc.*

Mr. Simpson: Mr. Chairman, I want to ask the minister the same question I asked previously. If a person who has his tax assessed goes to the minister in an attempt to prove his hardship and is unsuccessful, must he pay the higher rate? If during the succeeding years a hardship does develop, can he then return to the minister and have that rate reassessed?

Mr. Benson: I think, Mr. Chairman, we are getting into the matter of calculation of taxes. If the judgment was that it was not a hardship case and the person went to the minister stating he was unable to pay the tax, the Department of National Revenue would try to work out some method whereby the tax could be ultimately cleared up. It is similar to someone who cannot pay his income tax. A system is worked out whereby this is paid over a period of time, with interest. The Department of National Revenue has always been fairly reasonable in this regard. When I was minister of that department there was never an undue seizure of assets to pay taxes.

A system was worked out whereby taxes could be paid enabling the person to stay in business. Taxes cannot be collected when a person goes out of business. I do not know of any case where the Minister of National Revenue forced somebody into bankruptcy in order to collect taxes.

Mr. Hales: With this proposed double system of interest rate, Mr. Chairman, are the Minister of Finance and the Minister of National Revenue prepared to receive letters from taxpayers complaining that they have been charged a rate of 8¾ per cent while their friend "John Smith" is paying only 5 per cent?

Mr. Benson: Of course I am ready to receive them. Undoubtedly, there will be such letters. I should point out that under the existing Section 16 over the past ten years there have been approximately 40 cases requesting the minister to defer the payment of taxes. Estate taxes have been collected on approximately 40,000 or 50,000 estates in the last ten years.

Clause agreed to.

Clauses 10 and 11 agreed to.

Mr. Lambert (Edmonton West): Would you identify the page numbers, as not everyone have their bills annotated?

The Chairman: Clause 9, page 37; clause 10, page 37 and clause 11 page 39.

On clause 12—*Cumulative gift sum.*

Mr. Marchand (Langelier): I move:

(ii) any deed or other instrument under or by virtue of which a usufruct or substitution is created or any real property or estate or interest therein stands limited to any persons by way of succession;

Mr. Lambert (Edmonton West): Perhaps the minister would give the background of the amendment.

Mr. Benson: I would be very pleased to.

Mr. Lambert (Edmonton West): Every time taxes are being dealt with the distinction regarding the civil law in the province of Quebec is overlooked.

Mr. Benson: In connection with the amendment to clause 12, the Quebec Civil Code does not deal with trusts to the same degree as common law. There are arrangements which serve the same purpose and apparently the most common are what are known as usufructs and an arrangement known as substitutions. We had thought that our definition of the word "settlement" would cover most usufructs and substitutions but the Quebec lawyers have convinced us that a substantial number would not have been covered. The ones that would not have been covered would have been those that included property other than real property.

We therefore recommend that the definition of "settlement" be amended so that it specifically covers those two Quebec institutions and that the word "settlement" be used fairly well throughout the estate and gift tax act in place of the word "trust", to put usufructs and settlements on the same footing as trusts wherever possible.

This indicates one of the difficulties in Canada where federal law has to be drawn in such a manner as to take into account the common law and the Quebec Civil Code.

The Chairman: Shall the amendment to clause 12 carry?

Some hon. Members: Carried.

Amendment agreed to.

The Chairman: Shall clause 12 as amended, carry?

Mr. Lambert (Edmonton West): I want to make sure this paragraph is correct. The reference in paragraph (1) dealing with cumulative gift sum refers to Section 115 of the Income Tax Act which is now being amended by this very bill. I want to make sure we are going back to that precise point.

Clause as amended agreed to.

Clause 13 agreed to.

Title agreed to.

Bill reported.

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

Mr. Knowles (Winnipeg North Centre): By leave.

Mr. Benson moved that the said bill be read a third time and passed.

Proceedings on Adjournment Motion

Mr. Lambert (Edmonton West): On division. Mr. Speaker, I trust you caught the words "On division" for passage of third reading.

Mr. Deputy Speaker: Carried on division.

Motion agreed to on division, bill read the third time and passed.

Mr. Benson: Perhaps after a very hard day, the house would agree to calling it ten o'clock and continue with the questions on the adjournment motion.

• (9:40 p.m.)

Mr. Deputy Speaker: Is it agreed that we call it ten o'clock and proceed to the adjournment proceedings?

Mr. Knowles (Winnipeg North Centre): That is agreeable, Mr. Speaker, but perhaps we should make sure that the ministers or parliamentary secretaries who are to deal with the late show questions are here.

Mr. Deputy Speaker: Is it the intention of the house that I call it ten o'clock and adjourn?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker. I thought the understanding was that we call it ten o'clock and proceed to the adjournment debate. My question is very simple. Are those who will be answering the adjournment debate questions in the house at the present time?

Mr. Deputy Speaker: In accordance with Standing Order 40 a motion to adjourn the house is deemed to have been made and seconded at this time.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

AIR TRANSPORT—WINNIPEG, MANITOBA—RECOGNITION IN SETTING FARES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Wednesday, February 12, as recorded in *Hansard* at page 5430 I asked this question:

> Mr. Speaker, may I direct my question to the Minister of Transport. What progress is the government making in the matter of securing recognition of Winnipeg as an international gateway with respect to air line fares?

[Mr. Benson.]

The Speaker thought that this question should be dealt with at some other time than during the oral question period, and so I posted it for one of these late shows. This is a matter which has been raised on a number of occasions over the past few years, and of course the assurance has always been given that it is being studied, considered, reviewed and so on. But it seems to me that with the passing of time and with the development of faster aircraft and aircraft that can go farther on a non-stop basis, it is time for Winnipeg to be granted the status of an international gateway so far as air line fares are concerned. I press that this be done without further delay.

I shall give just a couple of examples of what we in Winnipeg mean when we raise this matter. According to the international authorities the airline distance from Montreal to London is 3,241 statute miles. The distance from Winnipeg to Montreal is 1,129 miles. That means that to travel from Winnipeg to London via Montreal requires covering a distance of 4,370 miles.

However these days many flights are made over the polar route and the direct distance from Winnipeg to London is only 3,908 statute miles, or 462 miles shorter than the route through Montreal. Yet because Winnipeg does not enjoy the status of an international gateway it is impossible to get for Winnipeg to London passengers the fare that should apply because of this shorter distance.

For example at the present time it is possible to get a 21 day excursion from Montreal to London for $299, but to get the comparable trip from Winnipeg to London costs $425, partly because there is no excursion fare between Winnipeg and London and partly because the fare has to be made up on the basis of the distance from Winnipeg to Montreal plus the distance from Montreal to London. In these days when it is possible for aircraft to make the entire distance non-stop, it does seem to those of us in Winnipeg that we should enjoy the advantage of our geographical position. It will be obvious that this would be helpful to Winnipeg and to Manitoba in many ways.

Another example of this situation with a slightly different angle to it comes up when one considers a flight from Winnipeg to Mexico City. If one wishes to make that flight today he cannot make it on a direct basis. He must go either via Toronto or via Vancouver. The cheaper way would be via Toronto. So, we find that while it costs $289 to travel from Winnipeg to Mexico City, the distance being 2,950 miles by way of Toronto, if the flight

went direct from Winnipeg to Mexico City the distance would be only 2,200 miles and the fare at the same rate per mile would be only $215. I might say that all the fares I have given tonight are on a round trip basis.

There are two things of course which stand in the way of a trip of this kind. One is the fact that no authority to fly between Winnipeg and Mexico City has been granted, as indeed no authority has been granted to fly from Winnipeg to Chicago or to various other points south of our part of Canada. The other reason is the one that is basic to the whole question I am raising tonight, namely the refusal as yet to grant Winnipeg the status of an international gateway with regard to airline fares.

One understands how these arrangements came about. They were built up in the days of the piston type aircraft and the days when in order to fly the Atlantic one had to go to Gander and then perhaps come down in Ireland. Now, however, when planes can go all the way from the west coast of North America to the heart of Europe on a non-stop basis, surely the situation should be reviewed.

The Minister of Industry and Commerce of the government of Manitoba, the Hon. Sidney Spivak, has been making strong representations about this matter to the Minister of Transport (Mr. Hellyer), the Canadian Transport Commission and the various airlines. I have had occasion to write the Minister of Transport about it and of course have had his assurance that the matter is under review. Well, we must somehow get something off that review list. That is where everything is since the present government took over.

Bearing in mind the raw deal we in Winnipeg received with regard to the Air Canada maintenance base at our city, I suggest here is something which is deserving on its own merits, which is logical and fair, and in respect of which the government of Canada could do something for our city. I therefore urge the federal government to put some real steam into its effort to get Winnipeg recognized as an international gateway for the purpose of airline fares. I hope the answer I shall receive tonight will be more favourable than it has been up to this point.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I do not know whether or not the hon. member will be more satisfied than he was before with the answer. The Minister of Transport (Mr. Hellyer) reports that fares on international routes are established in the first instance through agreements between the airlines at conferences of the International Air Transport Association. The fares so agreed upon are subject to approval of the various governments concerned. At an I.A.T.A conference which was held in the fall of 1966, Canadian I.A.T.A carriers at the request of the Canadian government proposed the establishment of trans-Atlantic fares on the basis of a constant rate per mile. They were not successful in securing the agreement of other airlines. However, since 1966, some promotional and special fares, applicable from Winnipeg and other western gateways, have been established based on the rate per mile. These are fares for groups of 15 passengers purchasing inclusive tour and fares for affinity groups of 50 passengers. At the last I.A.T.A conference, which concluded a few weeks ago, a new type of promotional fares for bulk inclusive tour was established on the rate-per-mile basis.

• (9:50 p.m.)

Acceptance of the principle of a constant rate-per-mile for the establishment of certain fares indicates a measure of progress. The government, through the Canadian Transport Commission, is continuing to press for wider application of this principle.

RESEARCH—RESPONSIBILITY FOR GOVERNMENT SCIENTIFIC PROGRAMS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, for some time I have been trying to determine two matters; which minister, if any, is responsible for coordinating the government's scientific programs and, what is the government's science policy or does it in fact have one?

I last raised these issues a week ago today as a result of a question to the Prime Minister (Mr. Trudeau). At that time in his answer the Prime Minister added a third name to the ever-increasing list of those seemingly involved in some way or another in coordinating the government's scientific program. The Prime Minister said that the President of the Treasury Board (Mr. Drury) had been given this particular task.

At the same time the Prime Minister revealed that in effect the government has no science policy whatsoever at present. The government, he said "is considering making certain changes in that area." In respect of science then, as in respect of almost every other area of governmental policy, we have a research committee apparently at work trying to establish what we should be doing with no policy being established.

This does not mean, however, that the government has been completely inactive in science—not by a long shot. Last fall we saw the cancellation of the ING program, the intensive neutron generator program. Not long after, and perhaps the announcement was made on the same day or within a day or two, we saw the cancellation of the Queen Elizabeth telescope project in British Columbia—of course only after millions of dollars had been spent. In neither case was a cogent reason given for the cancellation, but the implication was that this would save money.

Finally, and perhaps positively, the Minister of Energy, Mines and Resources (Mr. Greene) announced last month that the government intended to expand its oceanographic research program. We also heard the Minister of Industry, Trade and Commerce (Mr. Pepin) state that the research and development policies of his department are under review.

What does this all add up to? It seems to me very clear that it means the government's program in respect of science is quite literally chaotic. As Simon Reisman, the secretary of the treasury board, expressed it, "In the end we get a national policy by accident."

What we need, and need immediately within a matter of weeks rather than months or years, is a federal science policy under the direct control of a minister of the Crown. The government must appoint one man whose job it is to bring a guiding principle to the hodgepodge of existing programs spread throughout the government's many departments. A set of priorities must be established, brought before the house and implemented. I repeat, this must be done now and must not be put off for an indefinite period of time.

The N.D.P. believes that a department of science and technology should be created. I might add that Mr. Solandt is also of this belief. The basic function of this department would be to organize, co-ordinate and control all government efforts in science. It is time our conservative, inactive government came into the 20th century and showed some leadership in this area.

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have listened with interest to the hon. member's argument. As a prelude to an answer, I would just like to say that this government is different from the kind the hon. member is suggesting, because it believes it is wise to look into matters before making policy, rather than making policy off the top of your head and then trying to make it work.

All I can add to the Prime Minister's reply to the hon. member's question, as reported at page 5465 of *Hansard* for February 13, is that the President of the Treasury Board (Mr. Drury) is the minister responsible for co-ordination or science, not by virtue of being President of the Treasury Board but through his appointment as Chairman of the Privy Council Committee on Scientific and Industrial Research. This committee was set up in 1916 under the same statute as the National Research Council, and its terms of reference include co-ordination of government research.

HOUSING—TASK FORCE—RECOMMENDATION FOR REDUCED LEGAL FEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question of February 19, like so many other questions asked in the house since the tabling of the report of the task force on housing and urban development, arises from the tremendous concern of hundreds of thousands of Canadians about the increasing difficulty of finding adequate housing at a cost which the ordinary citizen can afford. I am certain it was because of this concern that the government appointed the task force.

The task force brought forth a report which has been almost unanimously condemned by town planners, housing experts and people concerned with the problems of ordinary citizens in the low income groups, ordinary citizens who have to depend on public housing. It has been condemned because the report virtually ignored the problems of people in the low income brackets.

The report made a number of recommendations, some of them not bad. It pointed out that the cost of land has risen by as much as 200 per cent to 250 per cent, that construction costs have risen by 40 per cent in recent years. But it ignored the fact that interest rates on mortgages for housing have more than doubled in recent years and that the most substantial reason for the increase in the cost of housing is the increase in the interest rate.

The report suggests that Canadians have a right to own their own homes and says that in the near future, in four or five years I suppose if the recommendations of the task force are adopted, the majority of Canadian people can own their own homes. The report ignores completely the fact that last year 60

per cent of all housing starts in Canada consisted of apartments. More and more people in urban centres are moving into rented apartment units. This condition is not likely to change in the near future. The report has ignored that fact completely.

To the consternation of everybody looking at the question of the needs for housing except the members of the task force, the report completely overlooks the little we have done in the way of public housing. This is despite the fact that there are in every city in Canada tens of thousands of people who can only hope that through the development of public housing units they may obtain housing accommodation of an adequate nature at a price they can afford.

• (10:00 p.m.)

Despite this, the report heaps scorn and criticism on public housing. My question had to do with the recommendation of the task force that efforts be made by those concerned to reduce insurance fees, legal charges, commissions and other administrative costs. The report says, and I quote, with reference to the question of legal fees:

> In the case of legal fees the task force cannot escape the feeling that in most cases the work involved is being done by a competent legal secretary on pre-drawn forms provided by CMHC. Thus it is suggested that the provincial bar associations review existing fee structures, taking into account the routine nature of much of this work particularly in cases where a single lawyer or firm writes a large number of similar mortgages for a subdivision development.

I wish the minister well in his efforts to get voluntary agreement on the part of the legal profession or any other such group to reduce fees. But my question dealt specifically with a group of lawyers about whom the government has a great deal of say. I have in mind the lawyers who are appointed by the government to act for the Central Mortgage and Housing Corporation. Let us be realistic. I imagine that if I said that 98 per cent of those lawyers would be Liberals, while we have a Liberal government, I would be conservative in my estimate. For this reason, and for the reason that C.M.H.C. could employ other lawyers, I suggest that if the minister is really concerned about reducing legal fees his best course is not to go cap in hand to the bar associations which, in all likelihood will ignore his appeals, but to tell Central Mortgage to make sure that the lawyers it appoints to handle its end of the legal work in connection with the sale of houses, reduce their fees, and that failing such co-operation it would get another group of lawyers.

Mr. Deputy Speaker: The hon. parliamentary secretary.

Mr. Knowles (Winnipeg North Centre): Give us your own answer.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, after listening to the hon. member I do not know whether I should give this answer or not. But I have been informed by the minister responsible for housing that the recommendations of the task force on housing are currently being put into a memorandum to cabinet, and will be discussed at the appropriate time in this house.

Motion agreed to, and the house adjourned at 10.05 p.m.

HOUSE OF COMMONS

Friday, February 21, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

Sixth report in French and in English of Standing Committee on Agriculture—Mr. Marcel Lessard (Lac-Saint-Jean).

Fourth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Gaston Isabelle (Hull).

[*Editor's note: for Reports above referred to, see Votes and Proceedings.*]

[*English*]

EXTERNAL AFFAIRS

ACCEPTANCE BY PRIME MINISTER OF INVITATION BY PRESIDENT NIXON TO VISIT UNITED STATES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am pleased to inform the house I have accepted an invitation extended to me by President Nixon to pay an official visit to the United States. The President very thoughtfully suggested I come to Washington shortly following the conclusion of his tour of Europe to permit him to share with me his impressions of the current situation there. I am happy to say that arrangements convenient to both of us have now been completed. I shall travel to Washington for two days of talks on March 24 and 25. I look forward to this opportunity to meet the President personally and to discuss with him a wide range of questions which are of mutual concern to our two countries.

A more detailed program will be released later, once it has been worked out.

Hon. Robert L. Stanfield (Leader of the Opposition): I am delighted, Mr. Speaker, that the Prime Minister has received this invitation and is responding to it. I am sure this will provide an opportunity to improve relations between our country and the United States, which are so important to both countries.

We sometimes feel the weight of our great neighbour. I think we all agree there is very little that is more important to us in Canada than maintaining cordial relations between our country and the United States, together supporting our common interests and values in the world. The visit of the Prime Minister to Washington will provide a good opportunity to deepen the understanding between our two countries and their leaders.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I am sure, Mr. Speaker, that members in all parts of the house will be pleased the Prime Minister has received this invitation and that he proposes to accept it.

At this stage in world development I think it is increasingly important that the leaders of these two countries should discuss the many problems we have in common. I hope the Prime Minister will avail himself of this opportunity to impress upon the United States that while Canada wants to co-operate with our neighbour, at the same time there are measures which Canada must contemplate in order to strengthen our independence as a sovereign nation. That covers a great many items of which I am sure the Prime Minister is fully aware. We all wish him well in these discussions, and hope he will be able to give a favourable report when he returns.

• (11:10 a.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we are happy to know that the Prime Minister has received an invitation from the new United States administration for a discussion of problems common to both countries.

We hope that during his talks with the American head of state our Prime Minister will be able, among other things, to make the American government understand the nature of the present talks between Communist China and Canada, and that we will not be adversely affected in the future. We hope also that the Prime Minister will bring back the assurance that the American administration does not frown upon the agreements will have to reach soon on the recognition of Communist China.

In short, we hope that the Prime Minister's trip will further promote Canada-United States relations.

Inquiries of the Ministry

[*English*]

ORAL QUESTION PERIOD

HOUSING

REQUEST FOR ASSURANCE AGAINST FREEING OF INTEREST RATE ON LOANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is really directed to the Minister of Transport, but in view of its importance and in view of the absence of that minister perhaps I might direct it to the Prime Minister. It is in connection with the report of the task force on housing. Because of the growing anxiety in connection with this question, could the Prime Minister assure the house and the country that the government is not seriously considering freeing the interest rate on National Housing Act loans?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a policy question which we will have to announce in due course.

INDUSTRY

WATKINS REPORT—REQUEST FOR REPORT OF TASK FORCE ON FOREIGN OWNERSHIP

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister with respect to the report of the Watkins task force on foreign ownership and the structure of Canadian industry. What legislation does the government intend to introduce in the present session to implement the recommendations of this task force? I understand that some amendments are contemplated with respect to the Corporations Act for full disclosure of foreign control. With respect to the other recommendations is there any legislation in prospect for this session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the legislative program for the rest of the session was announced yesterday, perhaps just before the hon. member arrived, and that should be the answer to the question. If it is a representation that the hon. member is making, I have heard it, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As a supplementary question, Mr. Speaker, may I ask the Prime Minister if there is any committee of cabinet studying this report and if so how soon does he expect to receive a report from it. Would the Prime Minister consider sending the task force report to the Standing Committee on Finance, Trade and Economic Affairs?

Mr. Trudeau: Mr. Speaker, we try to avoid indicating what cabinet is studying; its agenda is generally considered as confidential.

[*Translation*]

EXTERNAL AFFAIRS

PROTECTION OF CANADIAN NATIONALS IN PAKISTAN

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the Prime Minister.

I would like to ask him if, following the recent disorders at the offices of the General Electric Company of Canada in Pakistan, the Canadian Government has taken steps to protect the Canadians who contribute personally to Pakistan's industrial development.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that this question falls within the competence of the Secretary of State for External Affairs, and therefore I will pass it on to him.

[*English*]

INQUIRY AS TO VISIT OF HER MAJESTY THE QUEEN AND PRINCE CHARLES—REQUEST THAT PRESIDENT NIXON BE EXTENDED INVITATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, while a precedent was almost created by the visits of President Eisenhower and President Kennedy to Canada, as the first nation to be visited by new U.S. presidents on assuming office, and it is now too late to expect such a visit to precede visits to other nations, may I ask whether an invitation has been extended to President Nixon, who has been a good friend to Canada throughout the years, to visit Canada and to address parliament?

At the same time, in connection with visits, I should like to ask if there is any foundation for the suggestion that Her Majesty the Queen and Prince Charles, following his investiture as Prince of Wales, will be visiting Canada this fall? I should also like to ask whether such an invitation was conveyed to Her Majesty by the Prime Minister when in London.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the first question, the idea of a visit by President Nixon to Canada was

explored at the same time as discussions took place concerning a visit by me to the United States. This is still in the very informal discussion stage. On the second question I must confess I have not heard of such an idea, and did not discuss it with Her Majesty.

Mr. Diefenbaker: Would the Prime Minister give consideration to inviting the Queen of Canada and the prospective King of Canada to visit Canada at the earliest possible date, following the investiture of the Prince.

Mr. Speaker: The hon. member for Broadview.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister was ready to answer. He is always willing to answer. I wonder why some other member was called. It was a perfectly proper question to ask, even today in Canada.

Mr. Trudeau: The question was whether I would give consideration and the answer is that I would. I had the pleasure of meeting the Prince in London. I must say that he struck me as being a very likeable, remarkable young man, and very mature and pleasant for his age.

Some hon. Members: Hear, hear.

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the close relationship between Premier Smallwood of Newfoundland and President Nixon is it the intention of the Prime Minister to invite Premier Smallwood to join him on his visit to Washington?

Mr. Speaker: Order.

[*Translation*]

IMMIGRATION

COMPLAINT BY CZECHOSLOVAKIAN REFUGEES AS TO CHOICE OF LANGUAGE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Prime Minister.

Has he received a letter from a group of Czech refugees in Montreal, complaining that, despite commitments concerning the teaching of the two official languages of Canada, such commitments were altered unilaterally, and they are not allowed to choose their language of instruction?

Right Hon. P. E. Trudeau (Prime Minister): I do not recall having received such a letter, Mr. Speaker. However, I can say that the Quebec premier, Mr. Bertrand, and myself, exchanged letters on that matter, and that the federal government is willing to co-operate with the province of Quebec with a view to ensuring immigrants in that province the opportunity to learn French. I am sure that neither Quebec's policy nor ours is to force immigrants to learn a given language.

Mr. Lambert (Edmonton West): Mr. Speaker, I would like an assurance from the Prime Minister. Does the policy regarding Czech refugees residing in the province of Quebec differ from the one applied in other provinces? Are those refugees not free to choose the language they want to learn?

Mr. Speaker: I feel the hon. member is only repeating substantially the question he put earlier.

Mr. Lambert (Edmonton West): I am sorry, Mr. Speaker, but I did not understand the meaning of your intervention.

Mr. Speaker: I suggested to the hon. member that his supplementary question was substantially the same as the one he put first.

[*English*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENTS TO CLARIFY BOARD POWERS, PROVIDE FOR APPEAL DIVISION, ETC.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Yesterday, in the absence of any mention of the reintroduction of Bill C-186 of last session on the list of legislation presented to the house yesterday by the President of the Privy Council, I asked the Prime Minister whether the government intended to reintroduce that measure or whether it was to be abandoned.

The Prime Minister answered to the effect that, as far as he knew, it was not included in the speech from the throne. Let me refer to the speech from the throne, Mr. Speaker, as reported at page 7 of *Hansard* for September 12, where it is stated that a measure would be introduced to correct a number of particular injustices, including those resulting from certain provisions of the Industrial Relations and Disputes Investigation Act.

Mr. Speaker: Order, please. The hon. member knows he cannot make a speech. Would he kindly come to the question?

Mr. Hees: Mr. Speaker, I am simply trying to correct something that happened yesterday. At page 9 of *Hansard* for the same day it is recorded in the throne speech—

Mr. Speaker: Order, please. I am willing to listen to the hon. member but perhaps he might ask his question directly, and as quickly as possible.

Mr. Hees: Mr. Speaker, I have to lay the background of my question. Perhaps I should do so on a point of order. On the next page we have item number 13 on the list of bills presented—

Some hon. Members: Order.

Mr. Speaker: Order, please. I suggest to hon. members that the hon. member should be given an opportunity to put the question.

Mr. Hees: Thank you, Mr. Speaker. Following the speech from the throne the Prime Minister listed 47 bills that were to be dealt with this session. Number 13 was enunciated as a bill to amend the Industrial Relations and Disputes Investigation Act. My question is—

Some hon. Members: Hear, hear.

Mr. Hees: Thank you very much. I am sure hon. members will agree that it was well worth waiting for. My question is whether, if item number 13, with reference to the speech from the throne is not a reference to Bill C-186 during the last session, the Prime Minister will advise the house what it did refer to, in view of the fact there was no mention of a bill to amend the Industrial Relations and Disputes Investigation Act in the list given yesterday by the President of the Privy Council?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this item of legislation will result in legislation which we think will follow from the Woods report, which has not yet been tabled in this house. It has not yet reached the stage where the government has decided what precise policy it wants to apply. Therefore this will apply in the next session of parliament. We want to deal with these matters. I have taken note that the Conservative party stands for the adoption of Bill C-186.

Some hon. Members: Hear, hear.

[Mr. Hees.]

Mr. Hees: On a point of order, Mr. Speaker, the Conservative party has expressed no stand on—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

An hon. Member: No stand on anything.

Mr. Speaker: Order, please. I have the impression that we are now getting into a debate, and I am wondering whether we might not give the hon. member for Cape Breton-East Richmond an opportunity to ask a supplementary question.

Mr. Hees: I rise on a question of privilege. If I could state my own personal view I would say that Bill C-186 should not be reintroduced, and not passed.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I am afraid the hon. member has no point of order and no question of privilege, but the hon. member for Cape Breton-East Richmond has a supplementary question.

HOUSE OF COMMONS

AVAILABILITY OF ENGLISH COPIES OF ORDER PAPER

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I do not have a supplementary question, but in order to protect my priority I am rising on a point of order.

My point of order is that the English copy of the order paper today is not present, and since this government has always hidden behind the fact that French and English copies of legislation were not available, I do not see how we can possibly sit today under this government without the English copy of the Orders of the Day.

Mr. Macdonald (Rosedale): Mr. Speaker, I have an English copy of the Orders of the Day in my hand.

An hon. Member: We haven't got it.

Mr. MacInnis (Cape Breton-East Richmond): Therefore, Mr. Speaker, on the point of order, what has just happened now is an indication that the only way English speaking members of this house can get a copy of the Orders of the Day—

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): The only way we are going to get copies of the Orders of the Day is by standing up and making a protest in the house. I think this is a ridiculous situation, when I must stand in my place and complain about the fact—

An hon. Member: You were right when you said "ridiculous".

Mr. Speaker: Order.

Mr. MacInnis (Cape Breton-East Richmond): It is ridiculous that when I come into the house—

Some hon. Members: Hear, hear.

Mr. Trudeau: Every time.

Mr. Speaker: Order, please. I wonder whether the Chair might have the co-operation of all hon. members so that I may hear the point of order and make a ruling on it.

Mr. Ricard: Ask the Grits to shut up.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, again I repeat the same word, that it is a ridiculous situation when a member comes into the house and makes a request for the Orders of the Day, especially the English copy, and is told it is not available. Then when he raises a point of order the house leader informs the house that he has a copy, although many other members still do not have a copy. Then a copy is suddenly rushed over to me because I have raised a point of order.

I come back to the fact that this government continually hides behind the fact that they cannot come forward with certain measures because the French copy cannot be made available, or both copies are not available. I ask the Prime Minister to knuckle down, get to work and get things done.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member has made his point. I can assure him that an effort will be made, and is made at all times, to make sure that all the sessional papers are available to hon. members. I am not sure why there was a delay this morning. However, I shall make the necessary inquiries and ensure that there is no repetition of the delay, if in fact there was one.

Mr. MacInnis (Cape Breton-East Richmond): Further to my point of order, Mr. Speaker, I keep running into the same harangue from government members every time I raise a point of order. I say to them that I can stand here and wait them out. This is not my choice of words, but if the bums continue to fall, hold them up.

OLD AGE SECURITY

PAYMENT OF INCOME TAX ON GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance. He and I may not entertain the house so well as has been done in the last few minutes, but I have a serious question.

Some hon. Members: Oh, oh.

An hon. Member: Your halo is getting a little tight.

Mr. Knowles (Winnipeg North Centre): In view of the fact that the president of the Privy Council yesterday left a few days in the spring schedule for a budget presentation, will the Minister of Finance take advantage of that opportunity, whether or not he does anything else, to correct the situation under which old age pensioners, when they get the guaranteed income supplement, have to pay income tax?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I will be glad to consider the very serious representations of my hon. friend.

THE BUDGET

REQUEST FOR PRESENTATION IN SPRING

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. In view of the fact that the Minister of Finance has shown, if I may say so, the good sense to reverse himself in connection with the white paper on tax reform, I wonder whether he is seriously considering presenting the budget and reversing himself in this regard also, so that the country may have a full statement of its economic and financial position.

Hon. E. J. Benson (Minister of Finance): In this regard, Mr. Speaker, I have not reversed myself in respect of the white paper. It was a matter of whether or not a bill would be in the white paper that was presented. The bill cannot be drafted by June. That is the reason for presenting the white paper without the draft bill included. On the second matter, we are continually looking at the economic situation, bearing in mind the forecast made on October 22, and if there are substantial changes I will present a budget. I have not indicated that I will not present a budget this spring; I have simply

said it will depend on the situation. In any case, I have indicated to the house that we will present a review of the economic situation to the house, given an appropriate opportunity.

Mr. Stanfield: A supplementary question, Mr. Speaker, When will the Minister of Finance be in a position to inform the house definitely as to whether or not we will have a budget this spring?

Mr. Benson: I would be pleased to do this in due course. I should indicate to my hon. friend that, like my predecessor, I am not tied to one budget in a year. If the economic situation changes materially, I would be quite willing to bring forward what the government considers to be the necessary economic measures.

HOUSING

COMPLAINTS AS TO IMPROPER USE OF STUDIES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in the absence of the Minister of Transport who, according to the list, should be here today, perhaps his parliamentary secretary or the Prime Minister could take note of this question. In view of the claim by Mr. Martin Goldfarb that his firm's housing study commissioned by the task force was, to use his own word, bastardized, has the minister received complaints about the illegitimate use of other studies and, if so, how many?

Mr. Speaker: The hon. lady is asking, in effect, whether the government has received representations, and I would think that a question in those terms is not in order.

Mrs. MacInnis (Vancouver-Kingsway): May I ask, then, whether or not the report of the Hellyer task force on housing will be referred to a standing committee of this house for study?

Hon. James Richardson (Minister without Portfolio): I will discuss that matter with the Minister of Transport. I do not know whether he plans to have the report studied by a standing committee.

BILINGUALISM AND BICULTURALISM

INQUIRY CONCERNING ACTION ON CONSTITUTIONAL AMENDMENTS

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Prime Minister, Mr. Speaker. Can the right hon. gentleman state when he intends to go ahead with the other two major recommendations of the B and B Commission, namely, the amendment to section 133 of the British North America Act establishing two official languages, and the insertion of a new section 93A guaranteeing educational rights from coast to coast?

Right Hon. P. E. Trudeau (Prime Minister): The first question was the subject of one of the items on the agenda of the federal-provincial conference two weeks ago. The question of bilingualism in Canada was referred to the conference by the continuing committee of officials, and it has in turn now been referred by the conference to a committee of ministers which is in process of being set up. I am writing to the premiers to that effect and proposing some dates in the near future for such meetings.

As to the second question, it is covered of course by the second volume of the report dealing, among other things, with section 93 of the British North America Act. This has not yet been looked at by the continuing committee of officials, but it has been referred to that committee for study, so that ultimately a report may be submitted to the conference.

HOUSE OF COMMONS

COMOX-ALBERNI—ANNOUNCEMENT AS TO HOLDING OF BY-ELECTION

Right Hon. P. E. Trudeau (Prime Minister): May I take this opportunity to answer a question which was put to me a day or two ago about the vacancy in the federal constituency of Comox-Alberni? I should now like to inform the house that by order in Council No. P.C. 1969-342 dated yesterday a writ was issued for a by-election to be held to fill the vacancy in that federal electoral district on Tuesday, April 8, 1969.

Some hon. Members: Hear, hear.

OFFICIAL LANGUAGES

REQUEST FOR STATEMENT OF INTENTION ON GOVERNMENT MEASURE

Mr. Robert C. Coates (Cumberland-Colchester North): A supplementary question to the Prime Minister, Mr. Speaker. In view of the reported statement by Mr. Massé in Quebec concerning the possible suspension of that province's language bill, on the grounds that it meets the requirements of neither French

nor English, is it still the intention of the Prime Minister to go ahead with a federal bill?

Right Hon. P. E. Trudeau (Prime Minister): I do not know who was quoted by the hon. member, but we are not generally deterred by some opposition to the language bill. Creeping bilingualism is not something which frightens us as much as it does some members on the other side of the house.

Mr. Coates: I must apologize to the Prime Minister for my lousy English in the pronunciation of French names. The gentleman's name is Massé—M-a-s-s-e. Has the Prime Minister yet received a report from the ministerial review committee, and can he say whether there has been any change in the government's plans as a result of that report?

Mr. Trudeau: I am not sure what the ministerial review committee is, Mr. Speaker.

NATIONAL DEFENCE

NATO—ARTICLES BY BRUCE HUTCHISON

Mr. Percy V. Noble (Grey-Simcoe): My question is addressed to the Prime Minister, Mr. Speaker. Has he taken cognizance of Bruce Hutchison's two recent articles in the *Globe and Mail* on the subject of relations between Canada and the United States on the NATO question?

Mr. Speaker: The question is not in order.

[*Translation*]

EXHIBITIONS

REQUEST FOR DECISION ABOUT MAN AND HIS WORLD

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

I should like to ask him if he has met or will be meeting today Mayor Drapeau who is presently in Ottawa, and if it is likely that a final decision will be taken in respect of Man and His World? Can the minister give us any particulars in this respect?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The means to arrive at a decision matter very little. In this instance it is the decision itself that matters and that decision will be taken within a few days, as I said yesterday.

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

I have asked the minister whether he has met or is going to meet Mayor Drapeau today to discuss that matter, since Mr. Drapeau is in Ottawa now?

[*English*]

Mr. Simpson: Mr. Speaker, I have a question—

[*Translation*]

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

I have directed a very specific question to the minister, namely, whether he will meet the mayor of Montreal today? It is quite simple. We want to know if he is going or not to meet—

Mr. Speaker: Order. The hon. member can ask the question, but he cannot raise a point of order when a minister refuses to answer his question.

[*English*]

INDIAN AFFAIRS

EVICTION OF FAMILY OF MRS. JOHN DRIVER

Mr. Robert Simpson (Churchill): I have a question for the Minister of Indian Affairs and Northern Development, Mr. Speaker. Has he been made aware of the report that the family of Mrs. John Driver of the Garden River Indian reserve has been evicted to the streets of Toronto and, if so, what action does the minister intend to take?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have also read the article published this morning on the subject. The department has contacted Mrs. Driver and has offered to help her, but the lady told the officials that she could manage all by herself.

[*English*]

Mr. Simpson: Does the minister intend to recommend changes in legislation to allow the Government of Canada to extend to Indians who have left the reserves the same privileges as are available to Indians on the reserves, and to extend some or all of these services to the Métis people also?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I hope that we will soon be able to indicate our new Indian affairs policy, and I intend to propose that the services enjoyed by white people be extended to all the native people of Canada.

Inquiries of the Ministry

[*English*]

DRUGS

L.S.D.—INVESTIGATION BY R.C.M.P. INTO ILLEGAL IMPORTATION

Hon. Marcel Lambert (Edmonton West): My question is directed to the Solicitor General, Mr. Speaker. On Monday last I asked him some questions with regard to allegations concerning vast drug importations into Canada, and he undertook at that time to look into the matter and make a statement. Is the hon. gentleman in a position to do that now?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker. I take it the hon. gentleman is referring to his question as it appeared on page 5584 of *Hansard*?

Mr. Lambert (Edmonton West): That is correct.

Mr. McIlraith: I take it the first question was based on a newspaper item of that day.

Mr. Lambert (Edmonton West): And on other reports as well.

Mr. McIlraith: There was quite a headline on it. In any event, as to the newspaper report, I cannot gauge its accurancy and perhaps there is no point in my commenting on the story.

The latter question, which is more specific, had to do with the suggestion that the drug was being manufactured in Canada in Canadian government laboratories. There is no foundation whatever for that allegation—none whatever. As for the employee mentioned, the person to whom I think the hon. member referred is not an employee, and was in the process of being charged with being found in possession of hashish, not l.s.d.

GRAIN

COMPLAINT AS TO AVAILABILITY OF BOX CARS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether in view of the increasingly serious situation in Northern Saskatchewan particularly, though this applies also to Manitoba and Alberta, in which farmers on C.P.R. lines are unable to market any wheat because of the shortage of cars in C.P.R. areas, although a few miles away farmers on C.N.R. lines have cars available, he would get in touch with the Wheat Board and with the Board of Grain Commissioners and have them communicate with the C.P.R. so that those affected will not be left, as they are today, without funds and without hope of being able to sell their wheat?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I could use the occasion to make a report on the situation as it is today, but I know you would stop me, Mr. Speaker. The answer to the question is that I am meeting on Monday in Winnipeg with the transportation committee and I have made a special request to both the C.N.R. and the C.P.R. to send their top men. I will bring this representation by the right hon. gentleman, and previous representations, to their attention.

Mr. Diefenbaker: I thank the minister for his reply, because I have received representations today to the effect that no action has been taken, and farmers are absolutely desperate in these areas.

Mr. Pepin: I do not agree with that, Mr. Speaker, and I have accurate figures here to demonstrate that the situation has been improving. I think the figures demonstrate that there has been progress.

Mr. Paul St. Pierre (Coast Chilcotin): A supplementary question. Will the minister also make representations on behalf of the numerous lumber and pulp industries in British Columbia which are presently being starved for box car service?

Mr. Pepin: That question shows the dimensions of the problem. If you use too many box cars to carry wheat, somebody else suffers. It is really a matter of adjusting the situation in the best possible interests of all concerned.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is supplementary to the question put and the answers given. In view of the complexity of this situation, can the minister ascertain whether the railways are maintaining an equal supply of box cars for grain and for pulp movement, or does the number fluctuate from week to week? In view of the complexity of this problem would the minister also agree that the situation is serious enough to require the appointment of a transport controller?

Mr. Pepin: As I said before, Mr. Speaker, I have the full support of everybody involved, the producer organizations, the Wheat Board, the Board of Grain Commissioners. Everybody agrees that the best way to approach the

problem is through the transportation committee. However, in order to make doubly sure, I have appointed myself supervisor over what the transportation committee is doing. That is the purpose of the meeting in Winnipeg on Monday.

Mr. Benjamin: A further supplementary question. In the course of carrying out these duties is the minister having any discussions with the officials of the Canadian Pacific Railway Company and instructing them as to the requirements of the grain shippers?

Mr. Pepin: Mr. Speaker, I use the most diplomatic way of getting results.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. As the minister pointed out a few moments ago there is an obvious shortage of box cars in Canada. In view of this, would he draw the fact to the attention of the presidents of the two railways in order to get more box cars built, in a hurry?

Mr. Pepin: As intelligent as the hon. member is, I had already thought of that myself.

Mr. S. J. Korchinski (Mackenzie): I should like to ask the Minister of Industry, Trade and Commerce whether in the course of his discussions he will endeavour to ascertain if there were something like 5,000 fewer box car loadings of grain in the month of January as compared with the previous year.

NATIONAL DEFENCE

NATO—TIMING OF DECISION TO FACILITATE WORK OF STANDING COMMITTEE

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, in the absence of the Secretary of State for External Affairs may I address my question to the Minister of National Defence.

In light of the statement made by the Secretary of State for External Affairs that the government will not wait for the recommendations of the external affairs committee before presenting its decision on NATO policy, would the Minister of National Defence indicate to the house and to the members of this committee at what date we can expect the government to come down with its decision, so that the committee can anticipate the date and attempt to get its recommendations to the minister beforehand?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker I do not think it is up to me to indicate a date. As everyone knows, the committee of the cabinet that is dealing with this particular problem is meeting as often as possible. I think both the Prime Minister and the Secretary of State for External Affairs have indicated that a decision on this particular problem is going to be made in the very near future—if indeed it is not imminent.

Hon. Robert L. Stanfield (Leader of the Opposition): May I ask the Minister of National Defence whether he can give the house any explanation as to why, in view of the fact that the government does not propose to wait for the recommendations of the parliamentary committee, there is any possible justification for a further delay in announcing government policy in regard to this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Mr. Speaker: Order. The hon. member for Esquimalt-Saanich is rising on a supplementary question.

Mr. Anderson: Mr. Speaker, I prefer to wait until the question is answered either by the Prime Minister or the Minister of National Defence.

Mr. Trudeau: Mr. Speaker, I might just clarify this by saying that I have had discussions with the minister, and we had expected the committee might be able to bring in its report sooner than apparently is the case, now that I have heard the date mentioned this morning. With the Secretary of State for External Affairs and the Minister of National Defence we are considering—

Mr. Stanfield: And the Postmaster General.

Mr. Trudeau: And the Postmaster General, as the hon. gentleman says—we are considering whether we will bring down our policy later than we had wanted. Our view was that we should make the announcement as soon as possible, so that the NATO meetings in Washington would be fully informed of Canada's position; that we tell our allies in advance what our decision was. However, we realize the importance of waiting for the report of the house committee, and this may make us reconsider the date.

Mr. Stanfield: A further supplementary question. Am I to understand from what the Prime Minister says that it is possible the government will not announce its policy prior to the meetings of the ministers, although the Prime Minister had previously indicated that

this was the first firm objective of his government? Am I to understand that the announcement of government policy may now be delayed to some point later than the meeting of ministers?

Mr. Trudeau: No, Mr. Speaker, that is not what I intended to convey. We are still looking at that date as the ultimate deadline—I believe it is April 10.

Mr. Stanfield: That is right.

Mr. Trudeau: We had wanted to get our decision in somewhere around the middle of March, so that after the cabinet had made up its own mind we would be able to inform our allies sufficiently in advance of this date. Now the new date for the report of the standing committee is known, we may have to postpone our decision to a date later than the middle of March; that is to say, if the committee does not submit its report earlier than it says it can.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question to the Prime Minister. My reading of the statement made by the Secretary of State for External Affairs at Carleton University is to the effect that the government did not intend to wait for the review committee decision, which I took to be the committee of cabinet that was reviewing this matter. May I ask the Prime Minister whether the question of not waiting for a report applies only to the standing committee, not to the review committee, or is the government prepared to speed up the work of the external affairs committee of this house so that both reports can be put before the government prior to any decision being made?

Mr. Trudeau: Naturally, Mr. Speaker, I do not know how the minister was reported, but as I understood the question originally asked was whether we were going to wait for the report of the committee of the house. I believe that was the question.

My answer to that is that we cannot determine the timing of the committee's report. The committee of the house will decide when it will report. We have now heard that the committee cannot report as soon as we had hoped, so we are considering postponing the date of our own decision. The decision will only be taken, of course, after the other review committee of which the hon. member talks, the governmental review committee, has completed its work.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question to the Prime Minister. Would a delay possibly be brought on by the imposition of a roster system on the cabinet committee?

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is supplementary to the other questions. Was the Secretary of State for External Affairs stating government policy at Carleton University when he is alleged to have said that Canada should maintain its traditional ties—

Mr. Speaker: Order, please.

Mr. Brewin: Then may I rephrase the question. Is it the policy of the government to maintain our traditional ties with NATO and the Commonwealth, and to develop our interests in the Pacific and Latin America? Has this been decided as government policy?

Mr. Trudeau: Mr. Speaker, I am sure the hon. member knows—it has been said many times—that this policy is under review, and we are planning to announce parts of it in due course. We have discussed the naval part, and we hope to announce our policy either by the middle of March or as soon thereafter as the parliamentary committee submits its report.

Mr. Anderson: A further supplementary question. In view of what the Prime Minister recently said on this point, can we assume that no decision will be made by the cabinet committee or the ministers involved until mid March? In other words, can the committee take until mid March to present its views?

Mr. Trudeau: Of course, Mr. Speaker. We had not planned to make our decision before mid March. I answered a moment ago that we were considering perhaps making it later, if that would accommodate the parliamentary committee of the house.

GRAIN

WHEAT—STEPS TO COMPLETE AGREEMENT WITH RUSSIA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Has the Soviet Union indicated that it will take up the option on 150 million bushels of wheat in the current crop year?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the answer given by the acting minister last Friday is still valid. Discussions are going on.

REQUEST FOR STATEMENT ON DRYING OPERATION

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It is several weeks since he reported to the house on the quantity and condition of grain that has been dried. Could he make a further report on the subject, say at the end of the month or at the beginning of next month, by way of a statement on motions?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there is a report available from the grain board which gives the picture of the drying situation as of January 31. I will gladly send my hon. friend a copy of it.

Mr. Schreyer: A supplementary question, Mr. Speaker. That report deals with the situation as it was on January 31. I wanted to know whether the minister would make a statement on motions with regard to the situation as it will be at the end of February. He could make a statement at the end of the month, perhaps. Millions of bushels are involved and our information on this subject ought to be more up to date than that contained in the report he referred to.

Mr. Pepin: Mr. Speaker, if my memory serves me correctly, the report is a monthly one. A similar report will be issued at the end of February. I will gladly speak on the matter at that time.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): A supplementary question, Mr. Speaker. It has become apparent that, although large numbers of dryers are available, farmers have not had cash to bring those dryers into correct positions. What steps will the government take to meet this emergency?

Mr. Pepin: Mr. Speaker, perhaps the Minister of Agriculture could answer.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have had several meetings with the ministers of agriculture of the three prairie provinces. A system similar to that of co-ordinating committees has been set up in order to be helpful in positioning dryers where they may be of most benefit to farmers.

Mr. Speaker: Before calling orders of the day I think the hon. member for Churchill ought to be allowed a question that is supplementary to a previous one he asked.

Mr. Simpson: Mr. Speaker, my question is a different one.

HOUSE OF COMMONS

AVAILABILITY OF ENGLISH COPIES OF ORDER PAPER

Mr. Speaker: I shall call orders of the day. Perhaps before doing so, however, I might be allowed to make a short reference to the point of order raised earlier by the hon. member for Cape Breton-East Richmond (Mr. MacInnis). It has been indicated to me that the unfortunate delay referred to earlier was caused by a mechanical breakdown at the printing bureau. The issuing of the order paper was therefore delayed and I apologize to hon. members for the delay.

Mr. Southam: Is that why *Hansard* has been delayed also, Mr. Speaker?

Mr. Speaker: I am advised that this is the case.

GOVERNMENT ORDERS

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENTS RESPECTING COMPENSATION, APPEALS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-156, to amend the Animal Contagious Diseases Act, be read the third time and passed.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, in rising to speak on third reading of the bill I wish to protest once more the government's method of handling bills related to the agricultural industry. I do not like the way those bills have been brought before the house. Although I do not question the government's good intentions in introducing amendments to agricultural legislation, I have grave doubts about the legality of certain procedures set out in those amendments. Those engaged in agriculture will have to avail themselves of a cumbersome machinery if they are to take advantage of the provisions of recent amendments.

When Bill C-156 first came before the house the members of my party protested the provision in it that would enable a government appointed inspector to seize animals or produce. We also protested the fact that appeals could only be brought to the assessor appointed by the government. A similar provision has been incorporated in other bills recently before this house. Furthermore the decision of the government appointed assessor is final, there can be no appeal to any court. It seems that the government has done all it

can to protect itself from the claims of farmers, farm corporations or industries allied to farming. We feel the provisions of the bill are most unjust. In some respect they are harsher than the provisions of companion bills to do with agriculture. The hon. member for Edmonton West (Mr. Lambert) and the hon. member for Wetaskiwin (Mr. Moore) will deal with some aspects of this bill.

I point out to the house that the wording of section 14A(3), on page 2 of the bill, is in part as follows:

> The provisions of Part II of the Pesticide Residue Compensation Act, with such modifications as circumstances require,—

The meaning of those words is clear. Once this bill has been passed by parliament, regulations to be drafted can only have the effect of curtailing the rights of farmers. At this point we have no idea what those "modifications as circumstances require" will be. I think the government is going about its business in the wrong way. We are giving a blank cheque to departmental officials when we tell them they may draw such regulations as circumstances may require. That language in the bill is absolutely unfair to the agricultural industry. In essence, those words mean that those drafting the regulations are responsible to one party only in any dispute, the government. Naturally they are duty-bound by their very occupation, sense of responsibility and obligation to ensure in each instance that the actions, intent and welfare of the government department are well protected. As I said previously, the original intent of the bill may have been good but the regulations are all one-sided. It is almost impossible for individual farmers or co-operatives in many instances to seek the redress which is available to other citizens and industries in Canada.

• (12 noon)

The minister indicated in committee and in the house that a judge of the Supreme Court or a superior court may be appointed an assessor. Any decision cannot be considered as that of a court as the judge is merely acting as an arbitrator. It is not right that once a decision has been made there can be no appeal to a court. Other aspects of this bill which I cannot accept are the powers of inspectors and the open-ended terms of the compensation which may be given. I will leave these to other competent members of my party to deal with.

I conclude by saying that as a responsible representative of the agricultural industry I cannot and will not accept the terms of this bill as prescribed.

[Mr. Danforth.]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this bill was studied in committee and is now at the final stage of discussion in the house. The bill sets out the level of compensation to which a farmer or producer is entitled. As was stated by the previous speaker, the amount of compensation will be set by the Governor in Council or the government in their wisdom. On appeal the farmer or producer is limited to the compensation set by the Governor in Council.

The bill provides that there may be an appeal to an assessor where no maximum amount of compensation has been prescribed for an animal pursuant to section 12, or where the compensation awarded to the farmer is less than the maximum compensation prescribed under the act, or where no compensation is awarded to the farmer, on the ground that the failure to award compensation was unreasonable. It is within these limits that any individual who feels he has been unjustly dealt with must appeal. As I understand the bill, a farmer or producer cannot go to a court and claim that the basic amount of compensation set by the Governor in Council is wrong.

I give the government credit for their attempt to move forward in this field in order to deal more effectively and fairly with the farmer and producer. However, the fact is they have reserved for themselves the right to decide when they are being fair and when they are not. This is the point at issue. It is for this reason I feel they are more concerned about protecting the government than protecting the position of the farmer.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like once again to draw the minister's attention to the matter of compensation to be paid for pure-bred and grade animals.

I suggest that this question has not been thoroughly looked into by the committee. I do not know whether they are trying to ignore the situation or will not face up to the facts, but I wish to tell the minister that a review of the situation prevailing not only in our area but all over Canada would reveal that 60 to 75 per cent of our dairy cattle are grade animals.

And this is not a whim of the people but just an effort to get a better yield.

I know a number of farmers who have marvelous Holstein herds, for instance, mixed with Ayrshire or Canadian breeds. In our cold areas, where it is difficult to get a top quality herd, I know of—and I have no hesitation at all in saying so—a number of grade dairy herds which are superior to some pure-bred herds.

In my opinion, when you think that a farmer will receive for his grade animals a compensation equal to 50 per cent of their normal value, when at the productive and commercial level his animals are worth as much as pure-bred animals, I have no hesitation in saying that he is discriminated against.

I have already called the attention of the minister to this point and I think that the officials will have to take the trouble to consider the situation which prevails in our areas—I am referring mainly to my own—in order to assess the degree of injustice suffered in the past.

Last year mention was made of dairy producers who had incurred tremendous losses. One of them for instance had lost 95 good dairy cows and he managed to recover only 50 per cent of their value because his animals were not pure-bred. However, they had been selected for the past 25 years which means that this farmer, like a number of others, incurred a tremendous loss. I have mentioned only one case in passing but 80 per cent of the herds in my area have been affected by contagious diseases and the farmers have paid dearly for the simple fact that they own grade animals.

Therefore, I ask the minister as well as the specialists—since there are some and since they are capable of judging such cases—to study this problem which is most important for our agriculture, in view of the high percentage of grade herds that we find in our areas.

I think that the case of a farmer who devoted 20 or 25 years to build up a good herd and who gets from the government, in case of an outbreak of contagious disease, a compensation that is 50 per cent of what others get, represents, I think, an example of the grave injustice that is sometimes inflicted on the farmers of our area.

I think it would be preferable, from now on, to take as a base the value of the dairy production of the herd in order to compensate the farmer and to treat him more fairly instead of considering the colour, the weight or the breed of the animal.

I think that a good Canadian dairy cow is worth as much as any other, and that a good grade herd is worth as much from the productive point of view as any pure-bred herd.

• (12:10 p.m.)

I believe that in all fairness the compensation should be based upon the yield of a dairy cow. As regards the compensation, we were told in committee that it had been increased as compared with that of previous years. We are very happy about that, but we would still be happier if the amount of such compensation were set by the law.

The old law provided a certain amount for pure-bred animals as well as for grade animals. Indicating the maximum amount in the law is a very dangerous thing, not for the officials but for the department itself. The minister, I wish to repeat it, is well qualified. The technicians working for his department are also well qualified. But nobody is either infallible or immortal. Since it is said that written words remain, it would be preferable to set in this legislation the maximum amounts of compensation. Moreover, the amount granted for grade animals should be, if not the equivalent, at least 80 per cent of the one prescribed for pure-bred animals.

The department now works according to regulations. The legislation is passed, the general principle of the bill is approved and then we have to wait for the regulations that are to be enacted by the department's officials. That is not really democratic, I believe, because the representatives of the people have absolutely no say in the drafting of those regulations. I should like us to be able, as in previous years, to know where we stand. We should no longer have to wait for a law to be passed in the hope that the enacted regulations will be in accordance with it.

I once experienced difficulties with such a system of regulations, perhaps not with regard to agriculture but housing, for instance. I have already mentioned this in the house when I indicated that the regulations went against the legislation we had passed.

However, there is a danger, that of two or three less able officials who might turn up some day and change the regulations because they are allowed to do so every year or every six months, at will. The enforcement of this law, which is basically good, might be hampered by regulations which would not be adapted to it.

As for the right to appeal, I think that the three months' period is quite a reasonable one. However sometimes it is not enough because of all the red tape involved and mainly because the farmers lack information.

I would want the officials in charge of enforcing this law to go on dealing with complaints, just as they used to do, once the deadline has been reached. More often than not, whether through ignorance or otherwise, the farmer has proved unable to meet such deadline. Farmers are not here in the house to follow our proceedings and they need some time to learn all about the law. Indeed, at such times when, as it has happened for the past few years, there is an outbreak of contagious disease, they are apt to panic and to lose their heads. And when they have finally picked themselves up and want to direct their requests through the proper channels, the three months' period mentioned in the law is over.

I shall deal very briefly with the third point. I have had many complaints with regard to the disposal of the carcasses of sick animals which problem has caused me many difficulties. It is understood that the farmer gets compensation for the animal, but he must sell the meat.

Mr. Speaker, I believe the fact that the farmer has to sell a dead animal to a recognized slaughter house lends itself to criticism. Of course, criticism must be avoided as much as possible, but it is rather difficult. I think much of the criticism is due to the fact that often the farmers feel that some slaughter houses take advantage of the situation to pay a ridiculously low price for the meat while, most of the time, the meat is worth as much as if the animal had not been killed because of disease.

This is another question that should be studied by the minister and his staff. I do not wanted to dwell on the matter unduly, because it is rather touchy; we are dealing with buyers and sellers, which means that this is really a family quarrel. I merely wish to point out to those who will apply these bills in the future, that when they get a complaint they should weigh the pros and cons in order to do justice, not only to the slaughter house but to the interested parties in the first instance, the farmers, who in addition to having lost cattle because of an epidemic must also lose 50 per cent on the value of the meat when the cattle is taken to the slaughter house.

[Mr. Gauthier.]

Mr. Speaker, those were the remarks I wanted to draw to the intention of the minister and his staff. I trust they will help to correct some of the deficiencies that have existed in the past.

• (12:20 p.m.)

[*English*]

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I realize that this bill is designed only to modernize the Animal Contagious Diseases Act. This it does to some extent. The compensation formerly paid under this act was $140 each for purebreds and $70 each for grade cattle slaughtered under any herd disease eradication program. It must be admitted that these figures are ridiculously low at the present time. The bill proposes to change them to amounts to be prescribed by the Governor in Council. It is my understanding that the proposed amounts are $120 for grade animals and $200 for purebreds. These figures are more realistic especially when applied to beef cattle where the salvage value of the carcass may be higher. However, this is certainly open to argument, and I am sure that the beef producers might argue the point.

In the case of dairy cattle these amounts may be much too low. I think it would be fairer to ensure to the owner a percentage of the replacement value of the animal. At the present stage in the improvement of dairy herds most so-called dairy cows are the result of artificial breeding for many generations. The value of these animals is therefore much higher than what the value of a grade animal used to be. There could be great discrimination in the case of a man who has a herd which becomes infected by a disease. Many animals of this type are very high producers, and the producer may have been raising them for many years.

The number of reactors to tests for bovine t.b. and brucellosis or contagious abortion is much less now than it has been in the past. This points to the success of the establishment of disease-free areas, testing for both diseases, and calfhood vaccination against brucellosis. Adequate compensation for the relatively few animals that must be condemned would not place much strain on the economy and would ensure the maximum cooperation of the herd owner.

I can understand the reason for slowing down the calfhood vaccination program at this point since it does interfere with later testing and causes problems in respect of

export. In some cases the disinfecting of premises could be very costly and an additional hardship to the owner who has already suffered some hardship if he has had reactors. So I think some aid here would be in order.

I should like for a moment to refer to the clauses which deal with an appeal to the assessor. This matter has been well covered by the hon. member for Kent-Essex (Mr. Danforth) and will also be dealt with by another speaker or two. It has been stated that there are very few cases where an appeal has been made in the past. But this in no way changes the principle that a farmer should have the right to appeal the decision made by an appointee of the government. This principle should be spelled out in any legislation.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my intervention in this debate is on the same basis as my intervention in respect of Bill C-155. I have been horrified by what I consider to be a massive bureaucratic assault on civil liberties involved in bills dealing with what are relatively minor problems although problems which merit consideration. We protest against the method being adopted. I recant nothing I said with regard to Bill C-155. Here again, as a result of some rather wrong drafting, by importing into one bill provisions of another bill that are not related, some of the objectionable features of Bill C-155 have been brought into Bill C-156. The minister was not present at some committee hearings where I said a great deal about what I think is a slipshod method of drafting. An individual who is interested in this act can obtain an office consolidation of the act, but he will find that it refers him to another act and back and forth he will have to go. I complained most bitterly about this procedure in respect of Bill S-4, an act dealing with the marking of articles made from precious metals. Suddenly, by reference, we found ourselves involved with the Fisheries Act because it dealt with the method of disposing of goods which had been seized. There is nothing worse than having to sort out this type of thing.

First of all, I have said this bill is bad from a drafting point of view. Second, I come back to the point about the non-requirement of publication of regulations. I and other members of the opposition will keep insisting that there must be a requirement within the act itself and not just a reliance upon the government. There must be a requirement that any regulation made under the act will be tabled in parliament.

We have gone to a good deal of trouble to set up a committee on statutory instruments. It is in its preparatory stages, but the intent is to review all delegated legislation. This can be done if the regulations are tabled. It is not sufficient merely to say that they may be published in the *Canada Gazette*. As the minister knows, having sat with me on the procedure committee, we may also acquire a cumulative index of documents tabled by the ministry so that members will know where they are.

• (12:30 p.m.)

I do not know why there is resistance and seeming reluctance to take what appear to be sensible steps to publicize the approved regulations. I recognize the fact that regulations must be made under most acts. Certainly you cannot spell out everything in statutory form. But what is wrong with requiring under the act that all regulations be published?

The minister may be the most benevolent despot there is; he may say that we can rest assured that as long as he is the minister every regulation under the jurisdiction of his department will be published. He may even go farther and seek leave of the house to table them. That may be the minister's own view but we must remember that he is exercising his own discretion. The minister is not immortal and this act is not just for a year or so. Ministers come and go. Sometimes they are promoted, sometimes they are demoted and sometimes they are defeated.

Mr. Olson: Sometimes they die.

Mr. Lambert (Edmonton West): Yes, and sometimes they are incapacitated.

Notwithstanding all the good wishes and the intentions of the minister, I will let him in on another secret. Anything the minister says and any undertaking he makes during the debate is not worth one farthing in a court of law. It is meaningless in binding him or his officials in a court of law. The assessors, who will presumably conduct themselves as judges, will say that nothing said in parliament is meaningful in so far as the interpretation of the regulations or the statute is concerned.

For this reason I should like it written into the act that any regulations shall be tabled within 15 days after the coming into force thereof or, if the house is not then sitting, within ten sitting days of the opening of the

session. This is how we do things in respect of many bills. Why was the Minister of Finance (Mr. Benson) so happy to do this in respect of the anti-dumping bill? There was no quarrelling about this on the part of the officials of the Department of Finance in respect of that measure or in respect of the Bank Act, for example. I do not see what is wrong with it.

Let me go one step further. Not only should the regulations made by the Governor in Council and the regulations made by the assessors be publicized but the rules in respect of the conduct of hearings must be made known. I point out that in so far as the rules for the determination of assessments are concerned, these are to be made by the assessors subject to the approval of the Governor in Council. They are not regulations made by the Governor in Council. Therefore I put it to the minister that they would not be regulations required to be tabled or published under the Regulations Act. For this reason it is absolutely necessary that the regulations made by assessors after approval by the Governor in Council be published. Obviously there will have to be guidelines and uniformity. Why can they not be published?

Mr. Olson: They will be.

Mr. Lambert (Edmonton West): The minister may say what he wants, but they will not necessarily be published because there are no requirements for them to be published. We do not legislate on the basis of good intentions. The road to Hades is paved with good intentions.

Mr. Olson: I am not going there so I don't know.

Mr. Lambert (Edmonton West): Perhaps the minister and I will meet up there. But let me say this. Why can we not have in this legislation this simple provision in respect of the regulations? I will have the same thing to say about Bill C-157.

The next question I want to ask is, why is it that Supreme Court or Exchequer Court judges have been chosen to be assessors? The minister's colleague, the Minister of Justice (Mr. Turner), and his predecessor have fulminated against this practice in this house. I do not know how many times the bar association and law societies have complained about the use of judges in extra-judicial proceedings. This practice has caused grave complaint. Nothing is said in this bill in respect of their remuneration. Are they to be remunerated on a per diem basis for taking on this non-judicial work? There is nothing in the measure which says anything about that. It is a serious cause for complaint that some judges have a predilection for taking on extra-judicial work because it gives them a greater return over and above their salaries.

Apparently judges are going to be named as assessors either under the Animal Contagious Diseases Act or the Pesticide Residue Compensation Act. I suppose there will also be an assessor under the next bill C-157. These are not judicial roles, yet these are the men who are being picked. I suggest it would be far better for the minister to appoint other people as assessors. It is possible to find men who are well qualified to act as assessors and then provide the right of appeal to a court. This would be far better and would, I think, satisfy the sense of natural justice in all of us who are forever complaining about the predilection of administrations, federal and provincial, to establish boards, assessment commissions and what have you from which there shall be no appeal. This is a denial of natural justice. There is a bureaucratic opinion which suggests that there must be finality.

Let me tell the minister something more in respect of the powers of the assessor. He says he will appoint assessors. The assessor is the one who will actually hear the appeals. Let us consider how far we are going to go. As I suggested yesterday, the government gives with one hand and takes away with both hands.

Mr. Olson: May I ask the hon. member—

Mr. Lambert (Edmonton West): The minister will have the right to speak.

Mr. Olson: I just wanted to ask a question.

Mr. Lambert (Edmonton West): Under proposed section 14A of this bill we find that a farmer can appeal, where the compensation awarded to the farmer is less than the maximum, on the ground that the amount of compensation awarded was, unreasonable, or that the failure to award compensation was unreasonable. The maximums are prescribed by regulations. If we refer to section 13 of the Pesticide Residue Compensation Act we find that it states:

> Upon the hearing of an appeal brought pursuant to this Part, the assessor may
>
> (a) confirm the decision of the minister,
>
> (b) subject to any maximum amount of compensation prescribed pursuant to this act and applicable to the loss in respect of which the appeal is brought, vary the decision of the minister—

• (12:40 p.m.)

What hollow hypocrisy! That is all it is. It says that a farmer may appeal the decision of the minister with regard to the compensation to be fixed for the loss of an animal. The farmer can go to an assessor and the assessor will adjudicate on the question, but subject to the maximum fixed by the regulations. And who in the blazes fixes the regulations but the minister?

Mr. Olson: The Governor in Council.

Mr. Lambert (Edmonton West): Oh, come now! Don't try to put us on.

Mr. Olson: Would the hon. member—

Mr. Lambert (Edmonton West): The minister should sit down. He will have plenty of chance to be heard later.

Mr. Olson: I do not have the right to speak in this debate unless there is unanimous consent.

Mr. Lambert (Edmonton West): I for one will give you the right to answer. The minister has not spoken on third reading.

Mr. Olson: My information is that when you move third reading of a bill you are deemed to have spoken, whether you have or not and I moved third reading.

Mr. Lambert (Edmonton West): The minister can reply. He will have to, because there are so many holes being found in the bill from a legal point of view.

Mr. Olson: There are no holes at all.

Mr. Lambert (Edmonton West): The minister says there are no holes at all. That shows the extent of his knowledge of the legal implications of the bill. The assessor may refer the matter back to the minister for such further action as the assessor may direct. But if the regulations prohibit the assessor from directing anything further, what is he doing? He is just spitting in the wind. The minister is not only playing in the game but he is fashioning the rules of the game and in many ways is acting as the referee. This is wrong.

The assessor has the limits of an award set out for him. Therefore how can you say that a man has a true right of appeal? If the minister, or the Governor in Council, in setting out the regulations makes the limits so narrow that they do not meet the requirements of special cases, what is the point of going to an assessor? You are just wasting your time.

These are the points I want to raise in regard to this bill. I will have much more to say about Bill C-157. I have not looked at the Animal Contagious Diseases Act to ascertain the rights of inspectors and matters of that sort, but I shall be dealing with that question. I just cannot accept the fact that under these acts inspectors, with no search warrant, no writ of assistance or similar legal document, may enter premises. Bill C-155 is concerned with a claim for compensation under the act. With regard to the bill to follow, Bill C-157, there does not have to be a claim for compensation; it is just a straight walk-in.

I will raise these points later, Mr. Speaker. I think these bills are badly drafted. They run counter to our principles of justice. They are an assault upon the rights of individual citizens. They are pure bureacracy run rampant.

Mr. Olson: Mr. Speaker, may I ask the hon. member a question?

Mr. Lambert (Edmonton West): Yes.

Mr. Olson: I do not want to foul up the hon. member's argument, but it seems to be based on a misconception of what we are asking parliament to do. We are giving the farmer the right of appeal. This is something he never had before. It is not a question of withdrawing rights but of granting rights.

Mr. Lambert (Edmonton West): What sort of right of appeal is being given? I have complained about the kind of right of appeal that is being given. What the government professes to give with one hand it is taking away with the other.

Mr. Olson: You are wrong.

Mr. Lambert (Edmonton West): I am not wrong. The proposed method of operation of the bill is wrong. If we had not considered Bill C-155 the day before yesterday I might have been tempted to agree on the surface with what the minister has said about giving the farmer the right of appeal. But the right of appeal granted under Bill C-155 is hardly worth the paper it is written on. The minister is giving the farmer nothing. This bill is just window-dressing.

Mr. George Muir (Lisgar): Mr. Speaker, clause 1 of Bill C-156 repeals the provisions of paragraphs (a) and (b) of subjection 2 of section 12 of the Animal Contagious Diseases Act and sets out new provisions with regard

to compensation for animals slaughtered under a disease eradication program. The bill gives to the Governor in Council the power to set rates of compensation which in the opinion of the government are deemed to be equitable. There is, of course, an appeal from the decision of the department, and in the event of an appeal a decision is made by a government appointed assessor.

On the face of it this is little more than an empty gesture by the minister. Even though the assessor appointed may be a judge, in this situation he will be nothing more than a government employee. It seems to me this is a poor way for the government to arrive at an equitable decision as to the amount of compensation that should be paid. I join the hon. member for Edmonton West (Mr. Lambert) in protesting against the fact that there is no appeal from the decision of the assessor. This provision seems to be nothing more than a denial of the inalienable right of any citizen to obtain justice under our democratic processes.

The bill fails to provide that the regulations shall be published in the *Canada Gazette*. Even if they are published in the *Canada Gazette* I do not think they will be given wide enough publicity because very few of the people concerned see that publication. Therefore they will not know what their rights are under the act.

Mr. Olson: We will put out a newsletter.

Mr. Muir (Lisgar): To whom will the newsletter be sent? If this information were tabled in parliament the minister's intentions would be generally known across the country.

Mr. Knowles (Winnipeg North Centre): The hon. member for York East (Mr. Otto) put out a newsletter the other day, too.

Mr. Muir (Lisgar): I do not think the minister is taking cognizance of the fact that since the act was first put into effect there has been a great change in the value of animals. If he has taken this fact into consideration, why is it not spelled out in the legislation? It seems to me the minister is taking too much unto himself and his departmental officials. He is not really allowing an appeal of any consequence to be taken against his decision.

The minister will be confronting the producers with a take it or leave it situation. This will be the attitude of the government. I would not think that the minister would want legislation of the type that does not give the producer any recourse in respect of a decision made by an assessor. I took exception to this provision in regard to the bill we were studying the other day. My objection applies to this bill also. I hope that before the bill passes the minister will tell us what he will consider to be fair compensation. As the hon. member for Edmonton West says, unless it is provided for in the regulations it does not mean anything.

• (12:50 p.m.)

I ask the minister to give us a hint of what he has in mind because from reading the bill we have no idea what the government intends to do. We are being asked to buy a pig in a poke. We have nothing on which to base our decision. The only decision we can make at the moment is that we do not like the way the amendment has been drawn up because it tells us nothing. Neither do we like the appeal provision because appeals are to be made to an employee of the government. There is no appeal to the courts to enable producers to protect themselves, and in my opinion this is a denial of their civil liberties.

Before the bill goes through I hope the minister will tell the house that he is prepared to spell out in the regulations what will be the compensation. I hope the producers will be given sufficient compensation to provide a fair return on the cost involved. I hope that the man with a registered herd will not be put out of business because he is unable to rebuild his stock again. As the minister knows, once a purebred herd has been dispersed it takes years to build it up again to the point where purebred stock can be sold. Actually what sells the stock is the name of the producer on the market.

In a case where a herd becomes diseased the producer suffers a terrific blow. I have a neighbour who was faced with that situation. He lost his whole herd because some of his animals were infected. All of his barns had to be completely renovated. Having lived alongside this man I know from personal experience that it took him years and years to rebuild his herd. By that time he was quite elderly and he was never actually able to build up his herd to the point where he could sell the stock as he had done previously.

Therefore I again appeal to the minister to tell the house what this amendment means. Why is the government repealing the present section 12 which does set out certain values for animals, even though in these days they are too low? I fail to see why the minister does not specify in this amendment what the

farmer or producer may expect by way of compensation for slaughtered animals. If the minister did this it would be much easier for hon. members to examine the bill and to arrive at a decision upon it. I do not think there are too many members actively farming who like the bill as it stands. In addition, there is no doubt that there are some legal aspects of the bill which are, to say the least, questionable.

With those brief remarks I simply add that other members will deal with different aspects of the situation with which I am not familiar. I hope that before the bill goes through it will be one that will satisfy all members of the house.

Mr. Southam: Mr. Speaker, may I call it one o'clock?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock I do now leave the chair until 2 p.m.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): When the house rose at one o'clock, Mr. Speaker, we were dealing with Bill C-156, an act to amend the Animal Contagious Diseases Act. More specifically, we were considering the matter of an increase in compensation to farmers or producers for animals slaughtered under an area or herd disease eradication program.

The bill has been reviewed at some length by the Standing Committee on Agriculture, and in the committee sessions a considerable debate took place on new section 14A which has to do with the right of appeal. Along with other members of the committee I took strong exception to the implications of this section. I do not intend to belabour the point because I believe several other members of our party, much more capable of dealing with it because of their legal training, will be speaking on this important aspect of the legislation. In fact, several of my hon. friends have already done so, including the hon. member for Edmonton West (Mr. Lambert) who dealt with it at some length before the lunch break, the hon. member for Kent-Essex (Mr. Danforth) and our house leader the hon. member for Peace River (Mr. Baldwin).

I should like to question for a few moments certain aspects of clause 3 (1) of the bill which deals with the coming into force of this legislation and with making the payment of claims retroactive to September 26, 1968. How are these claims to be assessed? First of all, will each of these cases be reviewed automatically? Second, must a farmer make an application or an appeal on the basis of a former settlement? The bill stipulates that an applicant can make an appeal within three months. My third question is: in the light of the fact that it is now February 21, six months later than the date I mentioned, how is an appellant likely to be affected? Hon. members will note that no maximum or minimum amounts with respect to compensation are set out in the bill. Since some farmers may already have secured compensation under the terms of the old act, how are the officials, in appraising a claim under the new act, to determine the amount of compensation to be paid?

It seems to me that complications may well arise as a result of the failure to specify maximum and minimum amounts. I recall that in the committee we tried very hard to establish maxima and minima so that there might be at least an indication of the amount of compensation a farmer would receive. I believe difficulties are likely to arise in this connection. To put it in other words, farmers may be doubtful that it would be worth their while to appeal in the first place.

I could raise a number of other questions in connection with the bill but I know some of my hon. friends will be referring to them. Therefore I shall conclude my remarks by expressing the hope that the minister will explain the aspects of the legislation to which I have drawn attention.

[*Translation*]

Mr. Adrien Lambert (Bellechasse) : Mr. Speaker, I wish to thank you for giving me the opportunity of expressing my opinion on third reading of Bill C-156.

I am aware that some improvements are found in this legislation, nevertheless, I have a few reservations to make. I sincerely believe that it does not go far enough; more details could have been incorporated into the text of the bill. I know that the compensation rate which was fixed to make up for the losses of animals caused by contagious

diseases was, in a way, limited to a certain amount by the former act.

If amendments were incorporated in the act, it is because it was necessary to do away with those figures, in order to determine new ones better adapted to the current market. However, the act provides that the governor in council may prescribe the maximum compensations. If in so doing, account is taken of the various factors that should effectively be considered to determine the actual value of an animal, we can expect improvements. In fact, if I understood well the explanations given by the minister to the standing committee on agriculture, those are maximums which will be reviewed from time to time so that they will always be in relation with the actual market value.

It would be advisable, however, that the Department of Agriculture could take the necessary arrangements to inform animal owners about the maximum rates prescribed for the various types of animals so that owners can determine a little in advance the amount which will be awarded to them to compensate eventual losses.

I know that previously this legislation was only applicable to the species mentioned in the law, i.e. horses and cattle, but I am wondering whether it would not be possible to include also sheep and hogs, because contagious diseases also strike those animals down and their owners often sustain damages which quite often are not reasonably compensated. At all events, I am suggesting this to the minister and I hope he will give consideration to it.

I seize this opportunity to draw to the attention of the Minister of Agriculture (Mr. Olson) the fact that breeders and farmers also suffer considerable damage.

I have often received complaints from breeders who send their animals to the slaughter house and when the grading is done, they find that 10 per cent of their herd is condemned or downgraded, which causes them a considerable loss. The disease is determined by competent people who condemn these animals. In my opinion, these losses should be provided for under a law which would enable the breeders to receive a compensation, because profits in this field are not very high already.

As far as the right of appeal is concerned, I think this bill is an improvement. The hon. member for Edmonton West (Mr. Lambert) has dealt with the judicial aspects of the matter a few minutes ago. I do not feel qualified to discuss the judicial aspect of this bill; however, I shall deal with its practical aspect.

[Mr. Lambert, (Bellechasse).]

Under the former legislation, that right of appeal did not exist. Since it now exists, if it not complicated by red tape which makes an appeal impossible, I think that the owner of the seized cattle could launch an appeal and hope that as soon as possible and not in 5 or 10 years, justice will be rendered to him. Now, it is really an improvement.

The legislation is made by human beings; they cannot be perfect, even if the Department of Agriculture is well-intentioned and accepts suggestions liable to improve legislation parliament is called upon to pass in the agricultural field as well as in others.

I think that members of the committee on agriculture made serious suggestions to convince the minister to establish reliable rates to determine the value of an animal. Then, the minister got out of it so well with wise arguments that the bill was not amended.

At this third reading stage, I wonder if we could not take those amendments in consideration. Any way, as a whole, the bill eliminates an injustice against breeders of top grade animals, because the real value was not considered under all its aspects. If the officials of the Department of Agriculture responsible for the application of the law takes all appropriate measures to give justice to producers then we could say that the legislation is an improvement to be welcomed.

In any event, there will surely be other sessions, and the act, in its present wording, will probably be passed by the government. Next year, an opportunity may be offered to amend it and I rely on the minister's sense of responsibility and honesty to do so, taking into account the recommendations and the suggestions to which the deficiencies of the present act may have given rise.

• (2:10 p.m.)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, Bill C-156, to amend the Animal Contagious Diseases Act, has to do with the compensation which will be paid to farmers and livestock owners for animals condemned to be slaughtered because they have been infected with brucellosis, tuberculosis or other contagious diseases. This is a good amendment. It provides that from time to time the maximum amount of compensation to be paid shall be decreed by regulation instead of being fixed by statute. In other words, the act need not

be amended to provide for increased amounts of compensation.

Hon. members of the opposition have suggested this amendment is not too important since only a few thousand farmers or livestock operators will be affected each year. One cannot over-emphasize the importance to this country of the provisions of the Animal Contagious Diseases Act. They are the cornerstone on which a healthy livestock industry in Canada may be built. Hon. members will recall that in 1951 there was an outbreak of foot and mouth disease in Canada, with economic repercussions that represented the loss of many millions of dollars. It is most important that the border between Canada and the United States should be open for the unrestricted export of our cattle.

We discussed these amendments in the Standing Committee on Agriculture. Although the suggestion was made that the maximum amount of compensation to be paid on grade animals should be $120 and on purebred animals $200, I hope the minister will reconsider these amounts since I feel the figures set out in the regulations should have some bearing on the actual loss suffered by a farmer. The suggested figures may be adequate to compensate for ordinary, grade cattle and other animals. For high yield dairy animals the figures are not adequate. I suggest the compensation figure ought to represent the difference between the price realized at slaughter and the actual, market value of a similar, healthy animal. Such a provision will not cost the government very much money. Of 4,000 head of cattle condemned to be slaughtered least year only 8 per cent were purebreds.

An hon. member of the opposition suggested that compensation should be equal to 80 per cent of the actual market value of the animal that has been condemned. I think the figure ought to be close to 100 per cent. After all, the farmer has the expense of disposing of the animal, no matter what its stage of lactation is. The value of the animal may vary according to time of year. In addition to losing the animal the farmer must also pay for the cost of disinfecting and cleaning his premises. For very good or very poor farmers, that constitutes no great problem. The farmer with a first-class diary operation has his buildings in excellent condition and has no problem in disinfecting them. Similarly, the farmer with buildings consisting of a shed with a straw roof and some huts can touch a match to his property and burn it down. No great trouble or expense is involved there. The majority of farmers lie between these extremes. Sometimes they may not have whitewashed or disinfected their buildings for many years and the cost of so doing is considerable. The costs incurred in such operations ought to be considered in the bill.

It is good to find an appeal provision in the bill. This is a fundamental right we expect to see included in government regulations of this type. The appeal machinery will be used seldom. As I said, there are only 3,000 to 4,000 compensation claims per year. Usually they are handled amicably by the inspector and the livestock owner. The appeal machinery will be used only where disputes arise.

In conclusion I wish to say this is a good amendment which will bring the act up to date and enable maximum amounts of compensation to be set by regulation.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to make two or three observations. Undoubtedly future amounts of compensation paid under the act will increase. The bill has provisions allowing for great flexibility in that maximum amounts of compensation may be set from time to time by regulations. A government appointed inspector will investigate compensation claims and act on behalf of the government in a manner prescribed by regulation. The possibility of an appeal by a farmer to an assessor has been incorporated in the bill. In the future there will be many more cases of compensation and more appeals as more and more chemicals are used. The need for compensation will arise in many different ways and under different circumstances.

• (2:20 p.m.)

Under this bill, the assessor is closely bound by the regulations. In many cases the maximum will not be enough to cover special cases and there is no provision act whereby the assessor can award an amount higher than the maximum set by the regulations. I believe this should be changed. The assessor should be in a position to award more if there is good and reasonable ground for doing so. Does the clause which states that the assessor may refer the matter to the minister for further action suggest that the minister under certain circumstances could award more compensation than the prescribed maximum? I would be happy to hear if this is the correct interpretation of this clause.

I do not feel it is good for the assessor to be appointed by the government. It is wrong not to have the right of appeal to a court. The farmer should always be entitled to take his case to court if he does not agree with the award of the government appointed assessor interpreting the regulations. I strongly recommend to the minister that the farmer be given the right to appeal to a court.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I am sorry the hon. member for Algoma (Mr. Foster) has left the house as I was going to compliment him on a very good speech. I agree with most of his remarks. However, I disagree with his closing comment with regard to the appeal clause, new section 14A. I suggest to him with all due respect that it makes a mockery of the word "appeal". It is not an appeal at all.

The hon. member for Edmonton West (Mr. Lambert) asked the minister why this clause was even being included in the act. The minister's reply was that it was not there before. This will become the law. Under British justice any individual in Canada can appeal to the courts on points of law. This right has been taken away from those who raise cattle. They must now appeal to an assessor, the department or the minister. An appeal from what? From what the assessor, the department and the minister have said. This is no appeal. The right of an individual to appeal has been taken away by this clause. I agree with the hon. member for Edmonton West when he stated a few moments ago that this is very untidy administration and untidy housekeeping.

New section 14A (3) reads:

> The provisions of Part II of the Pesticide Residue Compensation Act, with such modifications as circumstances require, apply to appeals brought under this Act.

In whose opinion and under what circumstances are these modifications necessary? Will they be prescribed by the assessor, the department and the minister? Does the appellant have no rights whatsoever? What justice is there in appealing to the minister from a statement by his assessor or his department? Is this the just society? A colonel I know used to say, "I believe in democracy, but this is the way I want it done and, by God, this is the way it is going to be done." That is what the minister has said. Appeal? This is a mockery of appeal.

The hon. member for Edmonton West coined a phrase which I think is appropriate.

[Mr Ritchie.]

He called this provision a bureaucratic assault. It must have been officials of the minister's department who advised him. Surely they have enough trouble already with accusations of bureaucratic dictatorship being hurled at them in this house, by our constituents, and in the press. These officials are building up a bureaucratic dictatorship by taking away the right of the individual to appeal to the courts of our land. When speaking the other night on Bill C-155 I stated that the people of Canada can do without this type of legislation. We are losing more rights every day in this just society. I appeal to the minister to leave it as it was. We are quite satisfied that we have the right to appeal to the courts under our present system.

Under British justice this is the right of every individual in Canada. There are very few acts which do not allow the right of appeal to the courts. There is one section of the Income Tax Act which states that an individual is guilty until he proves his innocence. There is also one clause in the Canada Pension Plan which does not allow the right of appeal. This is contrary to our system of British justice. We as members of parliament have shirked our responsibility in this regard. This responsibility must be taken away from the bureaucrats and given back to the house. It is not the responsibility of these commissions which the government has set up. I do not think it is necessary to name them. They are doing a good job under our instructions. We are the ones at fault, not them. The Canada Pension Plan states that the interpretation of that act is the sole responsibility of the commission. That is not justice. Although it was done for a reason at the time, I think it should be changed.

• (2:30 p.m.)

The minister stated that judges of our courts would be appointed assessors. This is another responsibility that judges should not have. As one of my colleagues said a few moments ago, this will take away from their dignity as judges in our courts. It makes them a political tool of the government of the day, and judges do not like to be met with an accusation of political patronage. Under this legislation I can see circumstances arising when from time to time there will be accusations of political patronage, and I am quite sure the senior judges will frown on those who accept this type of work. I do not know what compulsion the minister can use to make judges accept it, but I am sure if it were left to their own decision they would

not want to act in this capacity knowing it would place them in an impossible position. I again appeal to the minister to withdraw this clause because it will do more harm than good.

Mr. A. D. Hales (Wellington): Mr. Speaker, we are being asked to amend the Animal Contagious Diseases Act. We are also being asked to remove the set prices prescribed in that act of $70 for grade cattle and $140 for purebred cattle and to give the minister, or whomsoever he may appoint, the right and power to set the maximum amounts of compensation payable. This amounts to ministerial discretion, and all hon. members know my feelings about giving such discretion to any minister. We should avoid doing so at all times, and I want to be on record as opposing that part of the bill.

Since it is evident that the bill will be passed, I would like to know what protection members of parliament and the taxpayers of Canada generally will have following the granting of this ministerial discretion. How and where will we find a list of the names and addresses of those people who are paid compensation? Will it be published in the *Canada Gazette*? It used to appear in the estimates under "Compensation to Breeders" in the health of animals section. There used to be a list of names and addresses of those who had been paid compensation in cases where the circumstances were not covered by the act and the regulations, but that has disappeared. I could not find such a list in the public accounts for 1967.

I suggest to the minister that it would not be a bad idea if the names and addresses, and the amounts involved, were published monthly and sent to all the breeder organizations so that the public may see what is going on and that nothing is kept from the view of the public. We are giving the minister the right to set the amount of compensation. It is only right that we should know to whom he pays compensation.

There is one provision which appears in the estimates every year with the heading, "in circumstances not covered by the act". Some $8,000 was estimated under it last year. Maybe the minister would like to explain what that covers. I have an idea that it covers animals that die in transit or in accidents before the amount of compensation is arrived at, but I would like the minister to confirm this. Against my better judgment I shall agree to giving this discretionary power to the minister or whomsoever he may appoint, but it is only fair to ask him what protection we and the taxpayers will have after granting him this right.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, at first glance this legislation would appear to affect only a relatively small number of people, and the minister and the government may be disposed to feel that because only a relatively small number of persons may be affected they are at liberty to take very unusual steps in the legislation. I point out that even if only a small number of farmers are affected this house has a responsibility to protect the inalienable rights of every citizen, and that any injustice perpetrated against even one person is something this house must attempt to guard against.

However, this legislation, as I understand it could affect a very large number of persons. I recall that on the prairies a few years ago, when we had an epidemic of foot and mouth disease, hundreds of farmers were required to have their cattle slaughtered and the question of compensation was a very live, controversial and bitter one. As I look at this bill I cannot help wondering whether if it were dealing with mining companies, oil companies or other large corporations, legislation of this type would be introduced by the government, because this legislation deprives certain Canadian citizens under certain circumstances of some of their basic, inalienable rights.

I think the minister is wise in taking out of the act the stipulated figures with respect to the compensation which will be paid. With inflation continuing at the rate it is, I do not think you can put in a statute now the maximum amount that will be paid for either grade or purebred cattle that may have to be destroyed next year, two years from now or five years from now. Unless you are going to amend the act every year, any table of set compensation would very rapidly become obsolete. Therefore the minister has to ask the house, and I think in this case properly, for the authority to recommend to his colleagues in cabinet that an order in council be passed setting forth what the maximum compensation will be.

However, Mr. Speaker, it should be remembered that what is happening is that the government, which is going to pay the compensation, is the one which by regulation will determine the compensation. That, by the very nature of things, is quite dictatorial. It cannot be prevented, but that is the situation. The government, which itself must pay the

compensation, is going to say by order in council what that compensation will be, or at least the maximum amount for which it will be liable.

• (2:40 p.m.)

Properly speaking there must be a right of appeal. The appeal is to be made to an assessor, but the assessor is not a free agent. Under the legislation before us he is confined within the maximum that the government has set. So the government, which must pay compensation, is stating by order in council what the maximum compensation shall be. Then it appoints an assessor who is to hear the appeal but tells him that the figure which has been set is sacrosanct and that he dare not go beyond it. He dare not go beyond the maximum. By what moral or legal judgment does the cabinet decide that the maximum which they set is an inviolate figure? If there is to be an appeal, surely that appeal ought to be to someone who is in a position to say that the figure which the cabinet has set at some previous time is no longer adequate and that in the opinion of the assessor the particular animal being slaughtered is worth more than the amount set by the government in the order in council. The assessor should have the right to recommend any figure which he thinks is in keeping with the situation.

It makes a farce of the whole question of appeal to say that a farmer will have the right of appeal and then in the next breath say that the assessor who is to hear the appeal will be limited to making his judgment within a maximum set by the very government which will have to pay the compensation. If ever there was a case of a government wanting to be the judge, jury and prosecuting attorney all in one, surely this is it. Then I believe the final indignity is to state that the decision of the assessor on any appeal brought pursuant to this part is final and conclusive and not subject to appeal to or review by any court.

I understand that my colleague the hon. member for Saskatoon-Biggar (Mr. Gleave) attempted to amend Bill C-155 when that bill was before us. His amendment was with reference to a clause which is applicable now in this bill, C-156. I cannot condemn in too strong terms the fact that the government would ask the house to write into the statute books a specific prohibition against the right of appeal to the courts. Surely this ought to be a basic right. As a matter of fact, some of us have fought for years to have established as a principle of law in this country that any individual can sue the Crown without a fiat from the Minister of Justice or the Attorney General of a province. During the time I had the privilege of being associated with a provincial government we removed the requirement that a fiat had to be secured in order to sue the Crown. If in our present society governments must acquire more and more power, which is the situation in a society as complex and complicated as ours, then surely the citizen should have as a last resort the right to sue the Crown when he or she feels an injustice has been done.

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

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Instead of moving in that direction and removing the requirement that a fiat must be secured in order to sue the Crown, we are now asked to place on the statute books a specific prohibition against the right to sue the Crown. The government really is saying to a farmer who is affected by this legislation that his compensation will be set by the government, that he will be given the right to appeal but that right of appeal will be within the maximum limits set by the government. Then the government is saying that if he is not satisfied he does not have the ordinary recourse he would have in dealing with a private company of going to the courts and asking the courts to decide what is fair and equitable compensation for the loss he has suffered.

After all the years I have listened to Liberal speakers talk about the rights of the individual and the dangers of socialistic regimentation, they now bring down legislation telling the farmer that if he is so unfortunate as to have livestock that must be slaughtered or, in the case of Bill C-155, produce that cannot be sold, all he will be allowed is the privilege of appearing before an assessor who must hand down a figure in respect of compensation not higher than a maximum that has been set by order in council on the recommendation of the Minister of Agriculture.

Mr. McIntosh: They took over when you were away.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if this is to be the just society, then God save this country from any more of it.

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): If we do not have a serious epidemic of livestock disease in this country not many people may be affected. But I want to remind hon. members that we are being asked today to set a very dangerous precedent, the precedent of putting on the statute books a provision which prohibits a Canadian citizen from the right to go to the courts. We are here saying that the maximum figure recommended by the minister and approved by his colleagues is the final arbitration even though the figure they may have set may have become completely obsolete and irrelevant in view of changing conditions. This is a dangerous step.

I suggest that this is dangerous and vicious legislation and that the government ought to reconsider it before it asks us to approve this measure. I once heard Aneurin Bevan say that democracy in Germany died by the headman's axe but that in Britain it was in danger of dying from anaemia. I am not speaking of Britain but I say that in this country, if we continue to allow provisions like this to be placed on the statute books, democracy can die inch by inch by taking away from the ordinary citizen his basic rights to the point where this country will be ruled by ministerial decree and bureaucratic regulations. If this is the government's idea of a just society, then the sooner the Canadian people become aware of it and speak out, the better. I appeal to the minister to either postpone this legislation or introduce an amendment removing the provision which denies a person affected the right to go to the courts. That is the very least that should be allowed. I would like to see them granted the right to go to court and I would go a little bit farther.

• (2:50 p.m.)

From the minister's own point of view I think he would be better off in the final analysis to permit a farmer who is disgruntled and dissatisfied to have his case heard in open court rather than being settled by an assessor appointed by the minister and restricted to the maximum figures the minister in his wisdom or the lack thereof has set for the assessor. I hope the minister will seriously reconsider this matter. I hope he will not ask the house to pass the kind of provision to be found in this legislation. If he does and other ministers follow this practice, we will be weakening the whole basis of democratic government in this country.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, a number of members of the opposition, including the hon. member for Swift Current-Maple Creek (Mr. McIntosh), my colleague the hon. member for Saskatoon-Biggar (Mr. Gleave), my leader, and the hon. member for Edmonton West (Mr. Lambert) have addressed themselves to the legislation before us with specific reference to clause 2. The minister has had an opportunity on previous bills to make some kind of a response to the criticisms and appeals made by hon. members, all of whom have pointed to the serious dangers that lurk behind the provisions contained in this bill. I feel as strongly as other members about this matter but because they have pointed out the dangers clearly I see little point in repeating them at this stage.

It is my hope the minister will come from behind the curtains, get on his feet and explain why the government does not see fit to amend this legislation so we will not be in the position of legislating, as my leader and the hon. member for Swift-Current-Maple Creek put it, to prohibit citizens from having access to the courts, particularly since this matter involves property rights. My leader may have been a little facetious when he said the Liberal party seems to have become very much preoccupied with giving departments and other government bodies more and more authority, but in this case there seems to be a great deal of truth in that statement.

Over the years the Liberal party has created the impression of emphasizing the rights of individuals; yet it appears to be nonchalant about a clause such as the one contained in this bill. This is indeed surprising. It is even more surprising because of the fact that the bill is sponsored by a minister who is apparently the heir apparent to the late William Aberhart. The Liberal party has put great emphasis on the rights of individuals relative to the state. In view of this attitude there certainly is cause for complaint.

At this time I do not intend or want to make what essentially would be the same protests made by other hon. members, but I hope the minister will indicate why it is not possible to remove this provision so there will be no impingement or prohibition in respect of the right of a citizen to take a dispute to the courts. Is it so essential to the administration that we include in this bill a clause such as that contained in Bill C-156? We strongly object to the fact that a decision of an assessor will not be appealable to the courts.

There is another matter I have not heard mentioned. There is provision here that anyone who wishes to appeal the decision of an

assessor to an appeal board must do so within three months. This strikes me as an unnecessary restriction. We realize there is some need for a restrictive clause, but in most instances of which I am aware statutes of limitation involve periods of six months or a year, and in some cases five years or more. The minister is asking for too much when he recommends to hon. members a clause which states that every appeal to an assessor shall be brought within three months of the date the owner receives notification of the decision. Why can this not be six months or a year?

The minister knows full well that during busy times of the year an individual may not find himself in a position to take some kind of formal legal action within a period of 90 days. It might be inconvenient to the government to have a longer period but the important thing is that justice should be done, and every citizen should have an ample opportunity to exercise his rights under the law. I think it is a little bit too restrictive to suggest that if an individual wants to appeal he must do so within 90 days. Let us also hear from the minister as to why it is difficult for him to envisage a longer period of time.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, according to the minister the intention of this bill is to allow the government to pay greater compensation to those who have suffered a loss. I compliment the minister on this aspect of the amendment. He would have been better off had he put a percentage or some other kind of formula in the bill in respect of the value of animals, whether it be three years or five years from now. There should be some relation between the value and the market price in arriving at a reasonable figure for compensation. Under this bill the minister will be the judge, the jury, the lord high executioner and the paymaster. There undoubtedly will be some conflict as a result of the minister being all of these things.

I know a farmer in my area who raises purebred bulls. Whenever I go there to buy a bull he always wants a higher price than I am willing to pay. This man, if the bull or other animal were condemned, would probably want to appeal the decision of the Department of Agriculture, whatever it might be. While I might disagree with his judgment as to the value of the animal, I think he should have the right to appeal. I think it is a good thing to have the right of appeal within the department; but ultimately, if a farmer is not satisfied he should have the right of appeal to a court of law. I do not suppose many farmers would go to the Exchequer Court, for example, but as long as the right is there I believe the government would tend to be more circumspect with regard to the value placed upon carcasses which are disposed of. In this respect, I do not intend to imply there is anything wrong with the Minister of Agriculture, because I have a good deal of respect for him despite the fact he is a Liberal.

• (3:00 p.m.)

An hon. Member: He isn't really.

Mr. Thomson (Battleford-Kindersley): That is right. I think the rights of people would be better protected if these things were put into writing so they knew exactly where they stood. Then, neither the government nor the farmer would be able to take unfair advantage of the act. The farmer would know he could appeal to an impartial tribunal, a judge, and he could ultimately take the matter to court and obtain a reasonable settlement if he could not do so in any other way. I hope the Minister of Agriculture will reconsider this matter.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Mr. Lambert (Edmonton West): We would like to hear from the minister, Mr. Speaker.

The Acting Speaker (Mr. Béchard): I must inform the house that, according to the rules, the minister cannot reply at this stage unless there is unanimous consent.

Some hon. Members: Agreed.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are a number of things I could say in defence of this bill if I were to try and reply to all the arguments and allegations that have been made by hon. members today. However, I want to be as charitable as I can, and in keeping with that spirit I would say that we have heard a great deal of argument about many things that are not in the bill. There are three clauses to the bill. The first clause deals with removing the statutory limit on the maximum amount that can be paid for animals that are slaughtered because they have contracted named diseases. The second clause gives the right to appeal the amount which the minister may decide is proper for compensation. That is all it does. The clause does not provide for anything but

an appeal in this respect. It is rather strange to hear my hon. friends argue how unjust this provision is, because at the present time and all through the years my hon. friends opposite were in office there was no right of appeal.

Mr. Danforth: How about the courts? There was always a right of appeal to them.

Mr. Olson: There was no right to appeal the amount of compensation to an assessor, a court or anyone else. My hon. friends know that. The third clause is concerned with the date of the coming into force of the measure. The reason the date is September 26 is that, in the event there are animals which show positive reaction to the named diseases, particularly tuberculosis and brucellosis, they will be disposed of without waiting and increasing the hazard involved in having the disease around the herd pending an increase in the amount paid by way of compensation. That is all there is in the bill. I think it is a useless debate to read into the bill a whole lot of other things that simply are not there.

Mr. Lambert (Edmonton West): Read clause 14A (3).

Mr. Olson: With regard to the right of appeal on the amount of compensation, that primarily involves an appeal to an assessor. That is why this person is called an assessor. In Bill C-155, the Pesticide Residue Compensation Act, we specifically and very carefully wrote in the provision that these assessors must be either judges of the Exchequer Court of Canada or judges of the superior courts of the provinces. This provision is there. It is very clear that the assessors will not be people other than those. The argument has been raised as to whether a person should have a right of appeal with regard to whether he is guilty or not guilty. That is not a question that arises at all. The only question is the amount of compensation that can be paid out of the public treasury. If that amount has been set by the minister somewhere lower than the maximum, then the farmer can appeal to the assessor to bring it up to the maximum or to a point higher. That is all that is involved.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a question?

Mr. Olson: Yes.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Was that a slip of the tongue? The minister said, "Up to the maximum or something higher than the maximum."

Mr. Olson: No, something higher than had been designated by the minister.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I take it that the assessor cannot set any figure higher than the maximum which the minister has already recommended to his colleagues and which was put into an order in council?

Mr. Olson: That is right. It is very nice to see the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) back in the house and participating in the debate. He usually makes a very eloquent argument, but usually for the wrong reasons and with the wrong conclusion.

Some hon. Members: Oh, oh.

Mr. Olson: That of course happened again today, because the hon. member tried to build his argument on the basis of something that had happened respecting foot and mouth disease in Saskatchewan in February of 1952. If he had taken the trouble to inform himself, or if his colleagues had done so—and I think they should have—concerning the amended part of section 12 of the Animal Congagious Diseases Act, he would have found that this part of the act applies to four named diseases only, and one of them is not foot and mouth disease. The diseases named in the act are glanders, dourine, brucellosis and tuberculosis. That is all. There is a completely different basis for determining the amount of compensation paid in respect of diseases like foot and mouth disease because you have to introduce a program for the complete eradication of all the animals exposed to the disease. That is not applicable to this part of the act.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister another question? I understand that this provision applies only to the diseases the minister has named. But am I not correct that the appeal procedure as set out in part II of the Pesticide Residue Compensation Act, Bill C-155, will apply to all appeals under the Animal Contagious Diseases Act? If not, what will be the basis upon which payment will be made for any disease other than those outlined here, such as foot and mouth disease or hog cholera?

Mr. Olson: This is the fallacy of my hon. friend's argument and proves the point I was

making a few minutes ago, about hon. members dredging up everything they can think of with respect to this matter and trying to apply it to the three clauses of the bill. I could go into a great deal of detailed explanation as to how values are arrived at for other diseases. But to put it very briefly, under an eradication program market values are used. In some cases the carcass has no salvage value because it is destroyed completely. This is not the case, for example, with animals which do not have an active disease but in fact show a positive reaction to a test for brucellosis or tuberculosis after proper inspection by our inspectors at the slaughtering plants. The salvage value of those carcasses is as high as if they did not show a positive reaction at all. Over and above that is the compensation which we are setting out in this measure.

Therefore, the brief answer is that with regard to those animals which have no salvage value at all, the market value is set down by a formula that we have used, very satisfactorily I may say, for a long period of time. In this way, we have arrived at the value and compensation that should be paid.

• (3:10 p.m.)

Mr. Douglas (Nanaimo-Cowichan-The-Islands): Mr. Speaker, I do not think the minister quite understood my question. With respect to these other diseases like foot and mouth disease or hog cholera, is there no right of appeal, or is the procedure for appeal as set out in this legislation to be applicable in the case of other diseases? Or is there no right of appeal with respect to them?

Mr. Olson: Mr. Speaker, I am not sure about the right of appeal in those cases, but there is a completely different procedure. For example, a committee is set up consisting of somebody representing the department, the nominee of the person or persons involved, and someone neutral. This committee decides on the value of animals in the case where an eradication program is required because of contraction of a contagious disease.

Mr. Douglas (Nanaimo-Cowichan-The-Islands): Why not in the case of these other diseases?

Mr. Olson: In many cases that is the procedure if a large number of animals is involved. However, what my hon. friend does not seem to realise is that there is a continuing program of testing throughout the country of what appear to be healthy animals. Whenever we find any animals that show a positive reaction to the test they are taken out of the herd, and compensation is paid to the producer on the basis outlined. Up until this time, there has been no appeal from a decision of the minister or the department.

The question was asked why we put the phrase "with such modifications as circumstances require" in clause 2(3). As far as I understand it, this is the English translation of the latin phrase that is used, "*mutatis mutandis*". These words do not change the provisions of the compensation act but allow for differences in wording between the two acts. Thus, they are a link between the two acts. However, some differences have to be taken into account so far as administration is concerned.

A number of questions were asked about whether or not the amount of compensation would be high enough, and whether cross-breds and so on, should be included. As I said in the committee—I think it is well to repeat myself here—the maximum amount that can be paid by way of compensation over and above the salvage value of the carcass today is $70 for a grade animal and $140 for a purebred animal. A purebred is defined as an animal that has been registered or that is eligible to be registered, whether registered or not.

I am going to recommend to the Governor in Council that these values be changed to $120 for grade animals and $200 for purebred animals. This is a very substantial increase; in percentage terms it is in the neighbourhood of 70 per cent. The fact of the matter is that these statutory limits have not been changed for 11 years, since 1958. Therefore, we think there is some justification for changing them.

Notwithstanding that the amounts may be higher, because of the very successful program we have been carrying on for a number of years to eradicate these diseases, the total amount charged to the federal treasury will, in our view, be substantially less under the Animal Contagious Diseases Act. Statistics bear out that the program has been very successful over a long period of time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not want to interrupt the minister's train of thought, but before he leaves that point I should like to ask him how it is possible to set a maximum figure when dealing with purebred livestock. At every fair one sees purebred livestock selling at very

fancy figures. Therefore, I would think that purebred livestock varies in value greatly, and I should like to know how it is possible to set a maximum figure. Is the assessor not to be allowed complete freedom, instead of some maximum being imposed? For example, the animal in question might be a prize bull that would fetch thousands of dollars; in such a case a maximum of $200 seems absurd.

Mr. Olson: This act is not intended to compensate at the kind of values that are sometimes put upon animals at auction sales. If anybody has a very valuable animal, such as the one described by the hon. member, it is usually insured. Certainly, insurance is available for such animals. That is one reason.

Another reason is that in some cases it is possible, through a reasonably satisfactory process, to arrive at a value for such animals. We take the position that there are so many exceptions to the rule in the process of arriving at the value of some of these animals that we need to set down a maximum so that everybody is treated equally and fairly.

I should also point out to the hon. member that the cost to the federal treasury is not simply the cost of the compensation paid to the farmer. A great deal of additional cost is involved in helping the farmer rid his farm of these diseases and to clean up his herd. This is of equal, indeed far greater, value to the farmer as the actual dollars paid to him in compensation. If we used market values or adopted some other means of doing away with the maximum amount of compensation, we would, it seems to me, be opening the door to a lot of litigation and expressions of opinion as to the value of animals. I do not mind this if those values are properly tested in the market place. But, of course, they cannot be tested. There is no way positively to test market value of an animal once it has become sick or has contracted one of these diseases. Therefore, we need to establish a maximum.

I might say to the hon. member that the point he makes has not proved to be a great problem so far as high priced animals are concerned because, in the first place, they are eligible for insurance and in most cases are insured. I do not think anybody could say that there is no way for producers to defend themselves in this kind of situation, which would be the case for lower priced or grade animals.

Mr. Danforth: Mr. Speaker, may I be permitted to ask the minister a question. I am not sure that the assumption he has made is correct and I should like to ask for clarification. The minister chastised a previous speaker for dealing with hog cholera and foot and mouth disease. The minister indicated that these diseases were not relevant to subclauses (1), (2) and (3) of clause 2. Is it not a fact that the section of the act that we are amending, section 14, which is the appeal provision, is not restricted simply to brucellosis and t.b., but applies to the act in its entirety?

Mr. Olson: I will have an answer to that question in a moment. I think that when I made that statement I was talking about clause 1, which is the clause that removes the statutory maximum that is set down for the four diseases I named a few moments ago. The hon. member for Edmonton West (Mr. Lambert) had a lot to say about this question, but what he apparently does not understand is that we are not taking away anybody's rights. We are in fact granting a right of appeal which has never existed before. I find it hard to understand any of these arguments seeking to show we are taking something away when really we are extending the right of persons to appeal on a matter which involves a charge to the public treasury. Appellants would be questioning the minister's decision as to how much would be the proper compensation. In most cases it will only be the amount which will be the subject of an appeal, though there is a possibility of appeal in cases where no payment is to be made, and where a more favourable ruling is sought. But in most cases the question of substance will be the opinion of the assessor as to whether or not, within the minima and maxima laid down in the regulations, the amount was fair.

• (3:20 p.m.)

I cannot understand how the hon. member can argue from both sides of the fence at the same time. At one point he told us that judges of the Exchequer Court and of the Superior Courts of the provinces should not be involved at all.

Mr. Lambert (Edmonton West): Not as assessors.

Mr. Olson: He said there had been a great public outcry about these judges becoming involved in extra-curricular activities.

Mr. Lambert (Edmonton West): Extra-judicial.

Mr. Olson: All right; whatever the word was. Immediately after saying that, he told us these cases should be appealable to the courts, where the very same men would be seated.

Mr. Lambert (Edmonton West): But not as assessors.

Mr. Olson: Well, what would the courts be doing, if not assessing the amount of compensation, since compensation is the only question appealable? You see the difficulty about trying to satisfy all the objections of the other side, Mr. Speaker, when one of its spokesmen contradicts even himself within two minutes?

Mr. Lambert (Edmonton West): No, I did not.

Mr. Olson: I believe I have answered all the questions hon. members have asked me. There were one or two further questions, though. The hon. member for Bellechasse (Mr. Lambert) asked whether an assessor could award more than the maximum. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) asked that question too.

We are now taking out of the legislation the statutory limits of $70 and $140 respectively and we are providing that these amounts shall be determined by order in council. In other words, parliament is saying in this session, and has been saying in 1958 and on all those other occasions when this act has been before it, that there should be a certain maxima. If we were now to say there could be an appeal to an assessor with no limit on the amount which could be awarded, then that assessor would be making law. Parliament has decided over the last 30 years that in the interests of the taxpayer and of the public treasury limits should be placed on the compensation which can be paid in connection with these disease eradication programs.

The remarks of the hon. member for Swift Current-Maple Creek (Mr. McIntosh) were, of course, not applicable to this bill at all. No man is guilty or innocent in this context. The only thing appealable is the amount of compensation.

The hon. member for Wellington (Mr. Hales), having heard the arguments to which I have just referred, wanted to know about the right of the taxpayers who provide money for the public treasury out of which this compensation is paid. This is a legitimate submission because, after all, we do bear responsibility for setting up the kind of rules which ensure that we are handling the public funds judiciously. Every member knows we must have rules and regulations to avoid excessive claims tantamount to raids on the public treasury. We are conscious of this need. The hon. member wanted a list of those who have been paid compensation. Well, the names are not secret. It would cost quite a lot of money to produce such a list, because in some years it would be very long, but we are not holding back any of this information. As for the other two or three points to which he referred, having to do with the blue book of estimates, I think it would be better if I waited to discuss them until the estimates are before the standing committee.

I have tried to answer all the questions which have been raised. I am glad many hon. members agree that instead of imposing statutory limits the Governor in Council should set them from time to time, keeping in mind the movement of the market.

I also believe hon. members will agree, on reflection, that giving the right to appeal the amount of compensation for the first time is a great step forward. The fact that the assessors who will hear the appeals will be judges of the Exchequer Court or of the Superior Courts of the provinces is a guarantee that the procedures under which appeals will be heard will be right and proper. I submit that with all these things written into one short piece of legislation hon. members will, on reflection, want to pass the bill quickly because it will certainly be of great benefit to those who are unfortunate enough to find their herds struck down by these diseases.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister a question? The one thing he did not deal with at all was why he found it necessary to write into Bill C-155, and make applicable to Bill C-156, a specific prohibition against the right of appeal to the courts.

Mr. Olson: I do not mind explaining things twice, or even three times, but I did explain this in detail in committee, and the evidence is available to the hon. member.

I do not know whether he has had the time to read it, but he will find it in reports Nos. 12, 13 and 14, all the way up to 19. Again, when an amendment was moved at the report stage of the bill I gave another detailed explanation why it had been done. Since the house has reached a decision with regard to Bill C-155, I doubt whether I should repeat all the reasons I gave, though they are readily available to the hon. member if he would like to read the evidence given before the

committee, or consult the applicable copy of *Hansard.*

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am not talking about Bill C-155 but about Bill C-156 which specifically says, in clause 3:

> 14A (3) The provisions of part II of the Pesticide Residue Compensation Act with such modifications as circumstances require apply to appeals brought under this act.

So, I am not discussing Bill C-155. I am talking about the application to the bill now before the house of a clause in Bill C-155 which becomes law under the measure we are now discussing.

Mr. Olson: I gave that explanation, too. At the outset I said that *mutatis mutandis* there are some changes which may be necessary in the regulations as applied to the Animal Contagious Diseases Act; that they would be slightly different in their application to the pesticide residue legislation but that the general procedure regarding the right to appeal would be the same in both cases. The general procedure in respect of the right of appeal will be the same under both acts.

• (3:30 p.m.)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Although the minister tried to bring in a Latin phrase, surely he means that clause 13(3) of Bill C-155 which reads,

> The decision of the Assessor of any appeal brought pursuant to this Part is final and conclusive and not subject to appeal to or review by any court.

applies to the bill before the house at the present time.

Mr. Olson: The answer is, yes. My officials and I have explained repeatedly why that provision has been included in Bill C-155.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have heard no explanation from the minister that satisfies me. I shall vote against the bill.

Mr. Olson: I am aware the hon. member has not heard the explanation. I think he will agree that three or four explanations are sufficient. I have made many explanations in committee and in this house with respect to Bill C-155 previous to this afternoon.

Mr. Howard (Skeena): The minister is being sarcastic.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I had not intended speaking in this debate but I am concerned about the implications of this bill. Potentially, many of my constituents may be affected. The chief difficulty here is that, apparently, members on the government side have one philosophy and those on the opposition another. The government's attitude seems to be that, with its officials, it knows what is best for the individual.

Mr. Stanfield: That is the mandate.

Mr. MacLean: Originally the act gave the minister power to have animals suffering from contagious diseases slaughtered. Compensation was to be paid with respect to those animals, as set by order in council. Nevertheless, if a farmer feels that as a result of the decision of the official appointed by the government he is not getting a fair shake, that the assessment is too low, he may appeal but may not take the appeal further than the assessor. The normal rights of the individual are being denied in this bill. The individual cannot appeal to the courts—I see the minister shaking his head.

Mr. Olson: The assessors will be judges. That is spelled out in the act.

Mr. MacLean: That is completely beside the point. Those judges are not acting as judges but as assessors. They have been appointed by the government to assess. We are not complaining about the individuals who may be appointed to act as assessors, I wish to make that clear. Our complaint is that judges will act in the capacity of assessors according to the regulations set out under the act. That is a major objection we have to this bill. I do not think the minister intended to leave a wrong impression, but the impression he left with me was that the provisions of this bill only apply to animals slaughtered under certain circumstances. I understood them to apply to all animals slaughtered under the authority of the act we are amending. The list of diseases governed by the act is to be found in section 2(d), which reads as follows:

> 'infectious or contagious disease' includes, in addition to other diseases generally so designated, glanders, farcy, maladie du coit, pleuro-pneumonia contagiosa, foot and mouth disease, rinderpest, anthrax, Texas fever, hog cholera, swine plague, mange, scab, rabies, tuberculosis—

And so on. Do not the provisions of this bill apply to all those diseases? I am not suggesting for one moment that most of the time

assessments would not be made conscientiously, to everyone's satisfaction. Nevertheless, if an individual feels he has been hard done by he cannot appeal to the courts, because the bill does not give him the right to do so. Surely, that provision is not part of a just society.

Mr. Schreyer: May I ask the minister a question?

The Acting Speaker (Mr. Béchard): Order, please. I must inform the house that we are not sitting as a committee of the whole house. The house is beginning to act as if it were in committee. I shall permit the hon. member to ask one last question of the minister.

Mr. Schreyer: Thank you, Mr. Speaker. Considering what the hon. member for Malpeque (Mr. MacLean) said a few moments ago with respect to diseases coming under the provisions of this bill, would the minister clarify what he said a few moments ago. I believe he said that foot and mouth disease and several other animal diseases were not included in the provisions of this bill.

Mr. Olson: Mr. Speaker, the section we are amending in the Animal Contagious Diseases Act, section 12—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Is it not section 14?

Mr. Olson: We are amending sections 12 and 14. If the hon. member is referring to appeals and statutory limits with respect to compensation under clause 12, may I point out that that clause does not deal with diseases other than the four I named, glanders, tuberculosis, brucellosis and dourine.

Mr. Lambert (Edmonton West): I know the minister does not intend to mislead the house but may I point out that section 14(3) says:

> The provisions of Part II of the Pesticide Residue Compensation Act, with such modifications as circumstances require, apply to appeals brought under this Act.

Appeals under this part are governed by the entire act, and the act deals with all those diseases the hon. member from Malpeque (Mr. MacLean) mentioned a few moments ago. If the minister will look at Bill C-155, and at clause 13 he will see these words:

> (1) Upon the hearing of an appeal brought pursuant to this Part, the Assessor may—
>
> (b) subject to any maximum amount of compensation prescribed pursuant to this Act and applicable to the loss in respect of which the appeal is brought, vary the decision of the Minister,—

That applies to all diseases.

Mr. Olson: The hon. member for Edmonton West (Mr. Lambert) should not get so exicited, because I do not think he understood the question. The question was, I believe, whether compensation under the amendments to the Animal Contagious Diseases Act contained in Bill C-156 apply to foot and mouth disease. The answer is that in so far as maximum amounts of compensation are concerned, they do not.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker. When the minister replied to my question dealing with this matter he said in so many words that I ought to inform myself of the contents of the bill. I point out that I was dealing only with the appeal procedure under section 14(1)(a). My contention was that the appeal procedure should apply to all animal diseases defined under the Animal Contagious Diseases Act. The minister has now admitted in so many words that that is the case. This appeal procedure would apply to farmers whose cattle were infected with foot and mouth disease or whose hogs were infected with hog cholera.

• (3:40 p.m.)

Mr. Olson: Everybody is out of order, Mr. Speaker, so I may as well be too. Section 14 of the Animal Contagious Diseases Act deals with specific diseases. Where it states compensation is payable in respect of cattle, I suppose an argument can be made. I believe Section 14A applies to diseases contained in that class. I will have the answer very shortly.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

An hon. Member: On division.

Motion agreed to on division, bill read the third time and passed.

PEST CONTROL

REGULATION OF PRODUCTS USED IN CONTROL PROCEDURE

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-157, to regulate products used for the control of pests and the organic

functions of plants and animals, be read the third time and passed.

Mr. Knowles (Winnipeg North Centre): Is the minister not going to make a speech?

Mr. Olson: I am not sure I ought to say anything regarding Bill C-157 because the new rules provide for detailed explanation of every clause in the committee. I think all hon. members realize that because of the limitation of time it was necessary to divide the work among standing committees so they could meet concurrently. That, Mr. Speaker, was the purpose of the detailed clause by clause study of these bills in the Standing Committee on Agriculture. It would be redundant to repeat these detailed explanations as they are contained in the reports available to all members.

The appeal procedure under the bill with which we have just finished dealing applies to all programs on which compensation is paid. All the diseases listed do not of necessity have slaughter programs attached to them. With regard to compensation, the right of appeal is applicable to all three bills.

As far as Bill C-157 is concerned, I hope there will be time for me to answer questions. I do not think it necessary to cover ground already well covered in the committee reports.

Mr. H. W. Danforth (Kent-Essex): Bill C-157 is another in a series of bills respecting regulations with regard to the agriculture industry. This particular bill also deals with an allied industry, the chemical industry in connection with pesticides manufactured by it and applied to products grown in Canada. This measure provides an even greater indication of the arbitrary powers being taken by this government.

I was happy to hear the minister, in his short address, explain the workings of the Standing Committee on Agriculture. He said we had time to study this bill clause by clause. Although the theory of such a standing committee may be good, the operation of it leaves much to be desired.

There are two large industries, the chemical industry and the agriculture industry, influenced by the regulations in this legislation. This bill intrudes on the normal operation of these industries. When the committee was about to study this bill clause by clause, I was shocked to learn the government did not intend to call witnesses from these industries to present their opinions as to whether or not, the bill was advantageous and to express opinions on the various clauses of this bill. Although both these industries were to be regulated and regimented, neither were going to be given the opportunity to make representations. It was only after a great deal of discussion that the chemical industry was permitted to make representations.

The evidence provided by the representatives of the chemical industry was very informative and formed the basis for one minor amendment to the bill. It was an historic feat to have even one amendment accepted in committee which was not produced by the government. The provisions of this bill deal with most facets of the chemicals involved, that is, the composition, registration, packaging, storage, transportation, sale, utilization and a strict examination of their effects. We must be very careful when intruding to this extent on the companies involved. We must not be too cumbersome in granting adequate protection to the users of the products involved. We must not make it impossible for these two industries to take advantage of the newest developments.

This bill gives more rights to an inspector of the government than are given to an officer of the R.C.M.P. The fact that an inspector is a government employee and shows his identification, gives him the right to go into any building or property and require every person to assist him in his inspection. He is given the right to demand all books and papers he may deem necessary. In essence, an inspector is given all the powers of an officer of the law. He can take upon himself the power of controlling the distribution of such chemicals. As a matter of fact, he can require companies to cease the manufacture of a chemical. He can stop the transportation of it, or the utilization of it. He can impound all quantities wherever they are found on his assertion that they do not meet the requirements of this bill in respect of labelling, storage, transportation, or usage, or on the ground that the chemical may cause some danger either directly or residually to the food utilized for human consumption.

• (3:50 p.m.)

Absolute power is granted to an individual to intrude in the normal operations of two industries. Inspectors will operate under the regulations made under this bill, but those regulations are not spelled out. They are merely stated to be such regulations as may be prescribed. I object to these agricultural bills which do not make provision for an

appeal to a court after an assessor has made a determination. It is left arbitrarily in the hands of a single inspector to stop the normal business of two industries.

As a matter of fact, Mr. Speaker, it is even worse than that. A company may spend hundreds of thousands of dollars on the preparation of a chemical specifically designed to aid agriculture. Under this legislation, the Company must apply to the government for registration before it can dispose, sell, transport or package the chemical for commercial use. In the standing committee, we heard evidence that sometimes it takes months before a determination is made by the department as to whether or not registration should be granted. With respect to the registration of a new chemical, it is quite possible that it will take weeks or months to obtain the necessary information from the various laboratories and testing fields. We have discovered that registration may be held up because of a difference of opinion between two government departments, the Department of National Health and Welfare and the Department of Agriculture.

This bill is another example of government intrusion into business under the guise of benefiting the public. The intent is good, and we in the Official Opposition in no way say that the welfare of the people of Canada should not be protected to the n^{th} degree. This is necessary but when arbitrary powers are given to individuals, surely equal powers of review are necessary.

In the standing committee we heard from officials of the department that the registration of chemicals could take a matter of days, and that speed was essential when dealing with chemicals that are used on a seasonal basis. But when representatives of the industry appeared before the committee they said it sometimes was not a matter of days but of months, and in fact on occasion a matter of years before a decision could be reached. People engaged in agriculture cannot wait for years. In many instances they cannot wait for months. Farmers must have chemicals to deal with specific problems as they arise or else suffer crop failures.

I feel that when a product has been refused registration, the company concerned should have the right of direct and fast appeal. It should have the right of direct appeal to a minister or to the department when it feels there has been undue delay in granting registration. A company should have a right to appeal when there has been seizure or detention of a product on the decision of a single inspector. It should have a right to appeal against a decision respecting packaging, labelling and advertising when such decision has stopped the normal distribution of the product. A company should have a right to appeal when the government contends that an indictable offence has been committed by one of its agents or employees.

When representatives of the industry appeared before the standing committee the government relented and introduced an amendment to the bill granting the right of appeal. But then, as the government does in so many cases, it added the rider "subject to such regulations as may be prescribed." In my considered view, this killed the request made on behalf of the industry. I am concerned about this legislation brought before us under the guise of being of direct benefit to agriculture because it has become so cumbered with regulations, and so one-sided against industry. I feel the good intentions which gave rise to it have been nullified. I have great hesitation in supporting the bill, although I do believe that the primary intent was good.

The Acting Speaker (Mr. Béchard): Order. It being four o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions, and public bills.

Mr. Bigg: On a point of order, Mr. Speaker, might I be recognized as calling it four o'clock so that I can be the next to speak on Bill C-157.

PRIVATE BILLS

THE HURON AND ERIE MORTGAGE CORPORATION—REPORT STAGE

The house proceeded to the consideration of Bill S-7, respecting the Huron and Erie Mortgage Corporation as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Max Saltsman (Waterloo) moved:

That clause 1 of the said bill be deleted.

He said: Mr. Speaker, one of the advantages of the new procedure we adopted is that by giving second reading to a bill and letting it go to committee we can examine the

implications of the bill; we can question witnesses in the committee, and we can get a fuller appreciation of what is involved in the bill itself. It is because this bill has received such a scrutiny in committee, and because of the evidence that was presented, that we in this party have moved this amendment.

I should like to commence my intervention in this debate by referring to volume 18 of the minutes of the proceedings and evidence of the Finance, Trade and Economic Affairs Committee, page 989, where the position of the Huron and Erie Mortgage Corporation is put forward:

● (4:00 p.m.)

The request that we are making, sir, is for an increase in our authorized capital in each company in order to allow for continuing growth. There has been no increase in the authorized capital of either company for many years. The last increase in authorized capital of the Canada Trust Company was, indeed, in 1899. The last increase in the authorized capital of the Huron and Erie was in 1919.

There are a number of implications flowing from that statement. I am not sure what the authorized capital was in 1919 when the change was made, but at the moment their authorized capital is $10 million so presumably it was something less than that. In a period of 48 years these companies have not found it necessary to come to parliament for permission to have their authorized capital increased. They have been able to operate pretty much on their own and make their own decisions during that period. Now, they are requesting an increase in authorized capital double what they have.

Although I would not presume to say this increase would permit these corporations to go for another 48 years before coming to parliament, as they are at the moment, one could make a very strong presumption that it will be a long time before we have another opportunity to examine this particular type of request. My feeling is not that some time in the future this company should not be permitted an increase in its authorized capital. My argument is that at this moment, at a time when everyone is calling for great restraint, the restraint should be applied to all sectors of the economy both public and private. I suggest that in this particular case the increase in authorized capital should not be granted.

One could also question the position into which these companies have put themselves by asking for this increase in authorized capital. From the evidence at my disposal, it would seem their request does not result from the fact they ran short of funds in the normal course of their business but because they used some of their authorized capital for the purchase of other companies. I might add that if the sponsor of this bill feels at any time he has some information he would like to bring to my attention as the debate proceeds, I would be more than happy to accept any intervention to clarify some of these points. Perhaps we could have a more meaningful debate in that way.

An hon. Member: He is a Rhodes scholar.

Mr. Blair: Mr. Speaker, on a question of order; as is well known in this chamber the purpose of having a committee procedure is that an opportunity may be provided for hon. members to obtain information about the measures. I do not see why, at this late date, we should have to repair the deficiencies in my hon. friend's presentation.

An hon. Member: You are a great sponsor of a bill. I thought you were a Rhodes scholar and had a general knowledge.

Mr. Saltsman: This is typical of the people who sponsor bills in this house. They have no intention of providing information or of justifying their position. They must want to sluff off these requests and get the bill through as quickly as possible. On the other hand, we feel that examination is necessary. We have obviously scrutinized this bill and questioned the witnesses who appeared before us. We have obtained some of the information we require and are making some points about it. The suggestion I made to the sponsor was that we were interested in having a meaningful debate. We are not interested in having the sponsor sit there like a dummy. If the sponsor has some suggestions to make in respect of points which would make this debate more meaningful, we are reasonable people over here and are quite willing to listen. What we are suggesting is that he may be able to give us some valid reason or significant arguments concerning why the report of the committee should be accepted and why this bill should be passed. He does not seem to have any intention of doing this at the moment.

Mr. Blair: On a question of order, Mr. Speaker, the issue which has been placed before this house by my friend, the hon. member for Waterloo (Mr. Saltsman), is that the report should not be accepted. I submit it is for him to make a case if he can for this

proposition. It really is quite out of order, I suggest, for him to try to make his case by addressing a number of rhetorical questions to me or to any other hon. member. I am interested in hearing what if any questions he has.

Mr. Saltsman: We are quite prepared to make our case. In the light of the considerable erudition of the sponsor, and his obvious interest in the welfare of this bill, I was hoping he might be prepared to accept the opportunity to make this debate more effective by participating in it. However, since he has indicated he has no intention of participating in this debate, beyond perhaps interrupting those speakers who wish to make their points, I will continue with my argument.

An interesting comment on this situation appears in the *Financial Post* of February 8, 1969 in a column headed "Annual Report". It reads:

> Huron & Erie Mortgage Corp., London, Ontario, expects a "modest improvement in 1969".

The right hand column of the article reads:

> Huron has applied for government approval to increase its authorized capital. Following the issuance of 911,856 for the acquisitions made during 1968, there is virtually no unissued capital, which is "not a good position for any growing company," Taylor said.

I think Mr. Taylor is the president of the company. So, in effect it would appear that Huron and Erie having used its available resources to buy out another company now finds itself short of authorized capital to continue its operations. One question which arises is how valid is this kind of an argument. Are we to allow authorized capital so that Huron and Erie can buy out everybody else? This would seem to be the point. They have arrived at this position because they made a corporate decision to expand rather than make the money at their disposal available for mortgages.

We are not being dogmatic about the question of size. If someone can demonstrate to me that the question of size is important and that Huron and Erie getting larger by buying up other companies will improve our economy or confer some benefits upon our people, then I have no objection to this. But what is the situation? Is Huron and Erie offering advantages to the people who go to Huron and Erie because the corporation has become bigger? I do not think so. Is this company lowering interest rates because it is bigger as a result of these recent acquisitions? I do not think that is the case.

The sole purpose of this bill seems to be to increase the profitability and powerfulness of this particular corporation in the market place. I do not really believe we are here to do this kind of a deed on their behalf, particularly when the only advantage would seem to accrue to the stockholders of the company.

• (4:10 p.m.)

There is an interesting comment made on this question of conglomerates and high organization by the management of the Great West Life Insurance Company of Winnipeg. This appeared in the *Globe and Mail*—

Mr. Blair: Mr. Speaker, I rise on a point of order. I fully appreciate the difficulty my hon. friend faces in opposing the increase in the capitalization of a company which is devoting 85 per cent of its assets to mortgages on houses and more particularly because it operates in his own area. He might have to explain to his constituents why he is taking this stand. I must say that—

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

The Acting Speaker (Mr. Béchard): Order, please. There is no point of order here.

Mr. Blair: I did not have an opportunity to reach my point of order, Mr. Speaker, but I will do so with your permission. The hon. member has referred to the conglomerates of Great West Life. This matter is not involved in the bill before us.

Mr. Howard (Skeena): Mr. Speaker, I should like to rise on a point of order. With all due respect for your perseverance in maintaining order during the debate, the hon. member for Grenville-Carleton (Mr. Blair) has now for the fifth time during this debate raised spurious points of order. I think we should try to suppress him, particularly if he does not wish to make any formal speech.

Mr. Saltsman: Mr. Speaker, I should like to thank the hon. member for Skeena (Mr. Howard) for his intervention. I agree that some of these points of order are irrelevant, but all the remarks of the hon. member for Grenville-Carleton have been irrelevant, particularly the last remark concerning how I am going to have to explain this matter to the people of Waterloo. Of course, that is what I am here to explain.

The Acting Speaker (Mr. Béchard): Order, please. I should like the hon. member to restrict his remarks to the motion before us, which he moved. He has moved that clause 1 be deleted from this bill. This clause deals with an increase in the capitalization of the corporation in order to have additional capital available. That is the only motion before the house.

Mr. Saltsman: I appreciate your vigilance and your injunction, Mr. Speaker, but, with the greatest respect, if you feel I cannot make remarks regarding the comments directed toward me by the hon. member for Grenville-Carleton (Mr. Blair) in respect of the general debate now taking place, I should like to appeal to you on a question of privilege.

The hon. member for Grenville-Carleton has made a very serious charge, and it is a charge that should be answered. It is his privilege to say anything he wishes whether or not it is correct. However, I feel that the people of my riding would be very interested to know how fallacious his proposition is.

The hon. member for Grenville-Carleton asked me how I would explain, or perhaps how anyone would explain, this position of depriving this great benefactor of the public access to public funds in view of the fact it places 85 per cent of its funds in home mortgages. I am surprised that a man of his talent and knowledge would even ask this kind of a question, because he knows that the saving of money does not depend on the Huron and Erie Trust Company. This saving is made by the Canadian people. The expenditure of money in this society does not take place as a result of the beneficence of any particular trust company either. This money is going to be spent in one way or another, just as it will be saved in one way or another. What is important is how it is going to be spent, and that is the real point of this debate.

Is this money to be collected by a trust company which puts its money into areas where it will make the most profit without regard for social consequence? Is it to be collected by a public agency, which is the way we would like to see it done, which would be concerned about the almost three quarters of all Canadians who cannot afford their own homes? It might be possible for them to own homes if this money were collected in any other place than on the private marketplace. The private marketplace has its own terms of reference. Its objective is to make the greatest profit possible. This is the kind of society in which we live and with which we disagree.

There is nothing to say that this kind of thing has to go on forever or that most of our people have to have their housing needs remain unsatisfied because they do not earn enough money to qualify for a mortgage. The point of the argument is, therefore, that I am working hard on behalf of these people of the Waterloo riding. They call on me often to tell me that they do not have homes in which to live. The wealthy do not have any problems. If you want to build a $60,000, $70,000 or $75,000 home, there is no shortage in Waterloo. If you earn $5,000, $6,000 or, in many cases, $4,000 and you want to build a house you cannot do so because the marketplace is not organized to serve your needs.

What we in this party are concerned about is to have some changes made in the way the savings are accumulated and allocated in order that people at the medium income level have the opportunity to obtain homes. I believe that every Canadian is entitled to this opportunity as a right. The Huron and Erie mortgage company has shown it is obviously far more interested in expansion and acquisition than anything else. These were not sick companies it was buying, these were healthy companies. This corporation is more interested in using its own money for its own aggrandizement than making money available for housing mortgages. I am sure the hon. member for Grenville-Carleton would have difficulty in dealing with that argument, and I notice he is sitting quietly.

At page 991 of the Minutes of Proceedings and Evidence of the Committee on Finance, Trade and Economic Affairs we find that Mr. Taylor, the President of the company was asked this question by Mr. Portelance:

> Mr. Chairman, the question asked by Mr. Blair a while ago was: "What interest rate did the company concerned charge on loans for dwellings or low-cost housing?" Could somebody answer that question?

Some consternation broke out, and we finally got this reply from Mr. Taylor:

> Our prime rate at the present time, I am sorry to say, sir, is 9¼ per cent.

Let me say that we are sorry too, Mr. Taylor. He went on to say:

> I say that because high interest rates present just as much of a problem to us as they do to the rest of the country. We simply operate on a spread between the rate that we pay on demand and term money and the rate at which we lend. We are lending as I said today at 9½ per cent.

The other side of the coin is that we are borrowing at the highest rate we have ever paid for money. We are paying 7¾ per cent on 5 year debentures. That is a spread of 1¾ per cent and in our costing 1¾ per cent is virtually a break even point.

Let me digress for a moment to make the observation that this is the point at which one asks, if they are not making any money how do they manage? Perhaps the answer is the important thing is not the profit, it is the turnover.

Mr. Taylor went on to state:

We are making about 25 cents on a $100 debenture today on the mix because we are paying 7¼, 7½ and 7¾ per cent depending on the maturity, whether it is one year, two, three, four or five. The spread is extremely narrow—

Despite this very narrow spread, if we take a look at the record of January 29—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Saltsman: Mr. Speaker, I wonder whether I could have the indulgence of the house to continue my remarks for a few minutes.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): I am sorry, I heard someone say "no".

Mr. Frank Howard (Skeena): Mr. Speaker, I had hoped that the hon. member for Grenville-Carleton (Mr. Blair) would rise to answer the extremely valid and well thought out points put forward by my colleague the hon. member for Waterloo (Mr. Saltsman). Apparently they went over his head or he feels they are not worthy of response.

• (4:20 p.m.)

Mr. Blair: On a question of privilege, Mr. Speaker—

Mr. Howard (Skeena): Mr. Speaker, I wonder if you could save me from these interruptions.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Grenville-Carleton (Mr. Blair) on a point of order.

Mr. Blair: I rise on a point of order, Mr. Speaker. It might even be a question of personal privilege. It will have been observed by every hon. member here that the hon. member for Skeena (Mr. Howard) jumped to his feet immediately the hon. member for Waterloo (Mr. Saltsman) sat down, and I had no opportunity to consider rising. But I am looking forward to the weak argument of the hon. member for Waterloo perhaps being advanced somewhat by the hon. member for Skeena. It might then be worthy of reply.

Mr. Howard (Skeena): Mr. Speaker, I do not know whether I am now speaking to the motion or should deal with the question of privilege or point of order, whatever it was, that the hon. member for Grenville-Carleton (Mr. Blair) raised. I noticed that between the time he raised the point of order and the time he sat down there was a change of personnel in the chair. But even if you, Mr. Speaker, with your prescience, foresight and incisiveness, had paid full attention to the matter, you would have come to the conclusion that there was no point of order.

Mr. Speaker: Order, please. I know that the hon. member for Skeena (Mr. Howard) is never out of order, so he may continue with his speech.

Mr. Howard (Skeena): Mr. Speaker, an observation of that sort, however kind and generous to me, casts some doubt upon my opinion of Your Honour. Methinks you are mistaken. The bill relating to the Huron and Erie Mortgage Corporation is the matter before the house. There are one or two things I wish to say in connection with this corporation. Although they have been said before, I think it is necessary to reiterate them because they deal with the substance of the bill and the substance of a great deal of misunderstanding that arose in the committee as well as in the minds of many who have read the evidence upon which the report of the committee was founded.

The Huron and Erie Mortgage Corporation has at the moment an authorized capital of $10 million divided into five million shares of $2 each. It seeks, in effect, to double the share capital and the number of shares, but retain the par value of the shares and be in a position to raise, by reason of the additional sale of its share capital presumably, another $10 million. As I understand the situation, nearly all the authorized shares of the company have now been distributed and are outstanding.

There is, as was pointed out in the committee, a relationship between the amount of money a mortgage company can lend and the

amount of money that it has in the treasury, or the amount of its share capital, plus the surplus. I did not find out, and I doubt very much whether this matter was gone into in the committee, what the surplus position of the company might be. There is no reference to it that I can find. I have looked at the trust and loan companies financial survey of industrials. This survey covers the Huron and Erie Mortgage Corporation and lists the consolidated balance sheet, but only the main items. It is difficult for me to pull out from that what the surplus of a company might be. It could be listed under another name, or it may be divided and put into other accounts or other sorts of funds. Therefore, I do not know what the surplus figure is. In any event, there is a ratio of 15 to 1 in terms of the lending of money, related to the amount of share capital plus the surplus. I assume this means, speaking in very small numbers and only by way of illustration, that for every $100 the company has as a result of the sale of shares, it will be able to lend $1,500 for mortgages, as a maximum.

Mr. Blair: Borrow.

Mr. Howard (Skeena): It would be able to lend $1,500, not from its capital moneys but from money it had received on deposit or had borrowed. I see the hon. member for Grenville-Carleton shaking his head. I do not know whether he is shaking it at me, indicating disagreement with what I am saying, or at his cabinet colleagues on the front bench who are speaking with him. I am at a bit of a loss to know what he means.

Mr. Blair: Mr. Speaker, I hesitate to interrupt, but I think if my hon. friend would look at the statute more closely he would find that the ratio of 15 to 1 governs the borrowings that a corporation of this type might make, out of which borrowings it then has a fund from which it can make loans to the public.

Mr. Howard (Skeena): I may have put it the wrong way around. Presumably the corporation is going to put all its borrowings out again. That is the theory behind the operation of this kind of corporation, namely, to keep your money in circulation. If it is more correct to say, in the jargon of the legal and accounting professions, that it can borrow 15 times more than is borrowed from it, I am content to put it that way. However, what I was getting at is that the ratio of 15 to 1 is permitted by order in council. There is a statutory amount beyond which the corporation cannot go after receiving permission from the Treasury Board, the government or an agency of government. This permission has already been given. At this point, I should like to read from the evidence given by Mr. Humphrys, the Superintendent of Insurance, to the committee on January 21. His evidence was on this very point, and I should like to put his words on the record because they may help to clarify my argument.

Mr. Humphrys, in reply to a question, said:

> The multiple for trust companies is 12½ times the capital and surplus, but it may be increased to 15 times subject to approval by the Treasury Board. For mortgage loan companies the limit stated in the law is four times, but this may be also increased 15 times subject to application by the company and approval by the Treasury Board. Both of these companies—

He was referring to Canada Trust and Huron and Erie Mortgage Corporation.

> —had their ratio approved at 15 times which is the maximum permissible under the law.

I understand that a proposition is being put forward and is being looked upon very favourably by the government that this 15 to 1 ratio be increased to 20 to 1. If this is the case, the company will automatically be in a better position so far as its borrowings and subsequent lendings are concerned. But even on the basis of a ratio of 15 to 1, the corporation, with the expectation of raising an additional $10 million through the sale of shares, will be able to increase its potential borrowing position and, consequently, its potential lending position by an additional $150 million.

If this is the sort of money the hon. member for Grenville-Carleton was talking about being pumped into the mortgage lending field, it is very interesting and gratifying to note that it is the case. If the ratio is increased to 20 to 1, which I am told is quite possible, the amount would be increased even more and there would be a couple of hundred million dollars at least in additional money available for the company to borrow and, subsequently, to lend. The $150 million extra that one can assume, on the basis of the surface presentation of the company, would be available for mortgages will not be available at all. The company said this, as reported in the proceedings of the committee at page 1001, as a result of a question put to Mr. Taylor, the chairman of the board and president of the company, by the Parliamentary Secretary to the Minister of Finance (Mr. Gray).

Private Bills

• (4:30 p.m.)

As reported at page 1001 of the committee report a question was put to Mr. Taylor, the chairman of the board and president of the company, by the Parliamentary Secretary to the Minister of Finance.

Therefore, if these bills are accepted by parliament they will have the effect of providing a further $60 million to your companies to lend to individuals for single family dwellings?

To which Mr. Taylor replied:

Yes, sir.

Then, he went on to qualify his answer. He drew the distinction that the whole $60 million that they hoped to have available would not be for single family dwellings because they also intended to allot some money to multiple units, in the ratio of 70-30 per cent. I think we are entitled to go further into the question of the availability of mortgage money. If I may digress for a moment I should like briefly to relate an experience that I had some years ago when I was member of the provincial legislative assembly for the provincial constituency of Skeena. At the time there was great concern in my home community of Terrace and in other communities in that area, at the lack of mortgage funds available to build or acquire a home. On one occasion I was in Vancouver and visited the offices of three or four trust, mortgage and loan companies. I spoke to various officers of those companies. I do not know whether the Huron and Erie was one of the companies because I cannot remember the names, but they were all large, well established companies known across Canada.

I asked the officials of all of these companies what were the prospects of money being made available in communities such as Terrace, Prince Rupert and Smithers, these smaller, out of the way communities far removed from metropolitan areas of the nation. The officials of these companies gave me, in different terms and tones, the same answer. In effect, they said: "We can't be bothered because we are doing quite well in the city of Vancouver. We have enough business right here and don't have to go out of town to find opportunities to lend money".

In other words, they were not concerned. It was tough that these people lived 500 or a 1,000 miles out in the centre of the province but these corporations just could not concern themselves about that. I mention that as an aside because reference is made in the committee proceedings to the availability of mortgage funds in rural areas. As reported at pages 1004 and 1005 the officials of the company were asked questions on this point by the hon. member for Dauphin (Mr. Ritchie).

I cannot deal with these answers in detail because they would take too long to read, but the gist of the answers given by Mr. Taylor is that there is slightly more money coming in from what he called western Canada, money that is being lent in the Toronto and Montreal areas, to meet the demand there.

The hon. member for Dauphin asked him a question that I think is worth setting on the record. It is answers to questions like this that put us in the position of doubting whether or not we are doing the correct thing by giving this bill immediate passage. If at the end of this hour the bill has not passed, I am sure the hon. member for Grenville-Carleton (Mr. Blair), and those like him who are responsible and reasonable, will not go running round the country levelling the accusations he made earlier against the hon. member for Waterloo (Mr. Saltsman), accusations that are unfounded.

I am sure that the hon. member will not make the false accusation that we are opposed to more money being made available for mortgages, because we are not. But we are seriously concerned about some of the answers given in the committee proceedings, and this is why I want to put them on record. The hon. member for Dauphin asked this very important question of Mr. Taylor:

Is there any conscious effort—

That is to say, a deliberateness, not something accidental.

—on the part of your company to attempt to balance your regions? Do you attempt to lend back roughly what you take out of a region or is this impractical?

Mr. Taylor did not say anything about the practicality of this. He simply said:

No, I cannot say that we have done that, sir, over the years.

He then went into the history of the matter and said that in the early days most of their money was lent in the area of the Regina plains; that most of the money came from south western Ontario. Incidentally, in the early thirties most of the foreclosures were made by the same companies, Canada Trust and Huron and Erie.

The hon. member for Dauphin followed up his question with this one:

Do rural areas tend to give you a borrowing balance? I presume they do as compared to urban areas where you lend. Is this a noticeable factor?

Mr. Taylor replied:

I will ask Mr. Miller to answer that because I think he is better qualified to do so.

Mr. Miller is assistant general manager of finance and represented both Canada Trust and Huron and Erie. He replied:

Yes, I would say that more borrowings come in from rural areas than is lent out in rural areas on balance.

Then, the hon. member for Dauphin asked:

Do you think the difficulties of rural borrowers in acquiring money from companies such as yours, put them at a disadvantage as opposed to borrowers in a large city that have larger projects? Would this be a factor in less development in the rural area as opposed to a large urban area?

Mr. Miller replied:

I do not think you can generalize really because rural is a matter of degree. I do not think there is any problem in the rural areas around the metropolitan areas in obtaining loans, but if you get into the further, less accessible, rural areas I have no doubt that there is.

Even that well qualified and carefully phrased answer underlines the experience I had a number of years ago with trust and loan companies in the city of Vancouver, namely that Huron and Erie Mortgage Corporation is damn well not interested in lending money in rural areas. It is just too bad people live out in the country as far as this company and other companies like it are concerned. These people are far too secure in their offices which I assume are in Toronto, though I do not know—to bother drawing money from the outlying parts of this nation. They prefer to concentrate their money in the cities where all they need do is cross the street or make a phone call to reinvest it.

The fact that Huron and Erie Mortgage Corporation has over the years, not just this week or last month, not bothered to exert itself by providing mortgage money in rural areas concerns me. This is the company that gloats over the fact that it lends, as the hon. member for Grenville-Carleton pointed out, 88 per cent, or 85 per cent, or whatever the figure is, of its money in the form of mortgages. But not mortgages for people in rural areas, in communities of the kind from which I come or those in Newfoundland to which my hon. friend referred a little while ago.

• (4:40 p.m.)

He knows, and others who live in the country know, that all the advantages accrue to the man who lives in the city, the urban dweller. He has no problem about getting mortgage money from the trust companies. But people who live in the country do find problems in this regard. There is also the fact that there was some misunderstanding, to say the least, in connection with the information which was presented to the committee, and that in addition there does not seem to be any desire even to attempt to bring down interest rates. For these reasons, I believe the bill requires a little more examination and study. There is no doubt in my mind that when five o'clock comes we may still be debating it. The hon. member for Grenville-Carleton (Mr. Blair) who is sponsoring this measure is too nice a guy to distort our views in the country. He is a friendly person. After all, he used to be legal officer for the co-operative movement. He has a feeling for people, and for good sense. Nevertheless, I believe we will have to examine this measure further or another day.

Mr. John Gilbert (Broadview): Mr. Speaker, I am glad to observe such a good attendance here as I begin to make my erudite comments on this bill, Bill S-7, an act respecting the Huron and Erie Mortgage Corporation or, in French, La Corporation d'Hypothèque Huron et Érié. According to the explanatory note, the authorized capital of the corporation is presently limited to an amount not exceeding $10 million divided into 5 million shares of a par value of $2 each of which almost all shares have been allotted and issued as fully paid and non-assessable. The corporation now desires to have additional capital available for issuance.

The main clause of the bill, Mr. Speaker, is clause(1) which reads:

The authorized capital of the Corporation shall be twenty million dollars divided into ten million shares of the par value of two dollars each.

It is common knowledge that the report of the committee is now available, and appended to that report is an amendment by the hon. member for Waterloo (Mr. Saltsman) seeking the deletion of clause 1 of the bill.

When I read the report, which is the product of close examination on the part of members of the committee on Finance, Trade and Economic Affairs, I found myself deeply impressed by the composition of that committee, which happens to be one of the highpowered committees of this house. Its membership includes the sponsor of this bill who has a wide knowledge of company affairs and legal matters. I understand he was a parliamentary agent for some years. He is a Rhodes scholar, along with the hon. member for

Edmonton West (Mr. Lambert) and the hon. member for York South (Mr. Lewis). So, the hon. gentleman is certainly one whose remarks we should note and underline. Other members of the committee include the hon. member for York North (Mr. Danson), a successful businessman before entering this chamber, and the hon. member for Etobicoke (Mr. Gillespie) who replaced the Hon. Robert Winters. Then, there is the hon. member for Waterloo South who is our financial critic. These men, among others, took a major part in the discussion in the committee.

Like many Canadians, I found it difficult to distinguish between Canada Trust and the Huron and Erie Mortgage Corporation. It was a pleasure to read the remarks of Mr. Taylor who I believe is president of the company. I might draw attention to the fact that in dealing with these matters, the chairman of the committee wisely decided to consider both the present bill and Bill S-6, the bill affecting Canada Trust, at the same time. This afforded me an opportunity to become acquainted with the affairs of these two companies, so that I could clearly understand what we are being asked to do. As reported on page 988 of the minutes of proceedings dated January 21, Mr. Taylor stated:

> The two companies, if I may put it this way, are regarded by us as being one in everything but name. We have the same officers, the same management and the same basic policies.
>
> The Huron and Erie Mortgage Corporation was founded in 1864 in London, Ontario, for the purpose of bringing moneys out from the old country and lending them to settlers who were establishing themselves in the rural areas of southwestern Ontario.
>
> At the turn of the century, in 1899, with the growth of inquiry for trust services, the Huron and Erie not being able to conduct trust services itself under its charter bought a trust company charter—the Canada Trust Company—and the two companies have functioned, as I said, virtually as one ever since with the Canada Trust Company as a wholly-owned subsidiary of the Huron and Erie.

So, we were given an opportunity to understand the background of these companies.

I understand the reason for this application is a wish to increase capitalization. Mention of the word "capitalization" makes a person like myself, who has had very little experience in corporation law, wonder what the application is all about. Again, we have been given some help, this time by Mr. Humphrys. It seems that Huron and Erie is attempting to double its capitalization because capitalization is linked with borrowing power. At page 993, Mr. Humphrys stated:

> The multiple for trust companies is 12½ times the capital and surplus, but it may be increased to 15 times subject to approval by the Treasury Board. For mortgage loan companies the limit stated in the law is four times, but this may also be increased 15 times subject to application by the company and approval by the Treasury Board. Both of these companies had their ratio approved at 15 times which is the maximum permissible under the law.

It was news to me, today, when some previous speakers noted with regard to an increase in capitalization, that the borrowing power of 15 times had been exhausted by the Huron and Erie and Canada Trust.

Mr. Blair: On a point of order, Mr. Speaker. Having in mind the fact that we are dealing with the affairs of large corporations I think it is extremely dangerous for anybody to make a categorical assertion that these borrowing powers, or indeed, any powers, have been exhausted. This was never said, and I am instructed it is not the case.

Mr. Speaker: I suggest to the hon. member that he has raised a point of debate rather than a point of order.

Mr. Howard (Skeena): It is a good time to raise points of order.

Mr. Gilbert: Thank you, Mr. Speaker. I appreciate the comment of the hon. member for Grenville-Carleton with regard to this particular point. As I say, having little or no experience in these corporation matters, I find them difficult to follow at times. I understand that borrowing powers are determined by the authorized capital plus the surplus. This means that if you take into account the authorized capital plus the surplus you can lend out 15 times the amount. I always thought the surplus was not included, but to my surprise I learned differently. The evidence indicated the multiple is only four times as far as mortgage companies are concerned and 15 times for trust companies, subject to approval. That puts me on notice that we ought to scrutinize carefully the activities of this company. In committee, representatives of this company proudly said that 88 per cent of their money is invested in mortgages. I point out that that money consists of the collective deposits of many depositors. Those deposits may take the form of savings accounts, guaranteed investment certificates or demand notes. When I hear the figure of 88 per cent I am reminded of the report

tabled not long ago by the Minister of Transport (Mr. Hellyer) which indicated that private financial institutions supply 42 per cent of the mortgage money needed in this country. Of that 42 per cent, 50 per cent is lent by insurance companies, 3.3 per cent by banks; 9 per cent by pension funds, and the rest by trust companies. It could be that a company investing 88 per cent of its money in mortgages does not have a balanced investment portfolio. I think it will be conceded that the investment policies of Canada Trust and Huron and Erie Mortgage Corporation are very similar.

• (4:50 p.m.)

Mr. Blair: Will the hon. member permit a question. Is he suggesting that lesser amounts of money ought to be made available to meet the housing needs of this country?

Mr. Gilbert: I appreciate the hon. member's interjection. He is concerned as much as I am about the matter of mortgage money and we both agree that more mortgage money must be found. The government has used methods of persuasion which have failed. Last August the Minister of Transport invited to Ottawa representatives of various financial institutions. He failed miserably to persuade them to put more money into mortgages. As a result, he had to take $170 million of public money in September and apply it to the field of public housing and building generally, so that the government's house building record could be maintained. Actually, the hon. member and I are *ad idem* on the serious mortgage problem.

Mr. Knowles (Winnipeg North Centre): I see the hon. member and the Minister of Agriculture (Mr. Olson) both are specialists in Latin.

Mr. Gilbert: Thank you. The hon. member for Waterloo (Mr. Saltsman) asked Mr. Taylor, who appeared before the committee, questions about the priorities of spending in the public and private sectors of our economy. Mr. Taylor indicated he was concerned about the moneys being spent by federal, municipal and provincial governments. He said these expenditures were affecting the mortgage market. The hon. member for Waterloo then asked Mr. Taylor whether the private sector should not be in some way governed or restricted in its investment policies. That suggestion Mr. Taylor repudiated, maintaining that if the private or productive sector were restricted, the development of Canada's natural resources would suffer. Implicit in his remarks was the suggestion that the shocking incidence of this country's unemployment will increase and that inflation will continue spiralling upwards. To be fair to Mr. Taylor, he conceded that inflationary pressures in this country had resulted from the operations of the international money market.

Mr. Taylor indicated to the committee that on conventional mortgage moneys lent by his company the rate charged was 9½ per cent. He said that investors of the company were paid 7¾ per cent on their investments, leaving a spread between what was paid out and what was charged of approximately 1¾ per cent. Surely, then, if the company considers 1¾ per cent a fair return on a mortgage investment it does not matter whether the interest rate charged on the market is 6 per cent or 8 per cent.

Mr. Speaker: Order, please. The time being five o'clock this house stands adjourned until two o'clock Monday afternoon.

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

HOUSE OF COMMONS

Monday, February 24, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (B), 1968-69

A message from His Excellency the Governor General transmitting supplementary estimates (B) for the financial year ending March 31, 1969, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the house.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in connection with the supplementary estimates my colleague the government house leader is prepared to make a motion to refer these final supplementary estimates to the Standing Committee on Miscellaneous Estimates. But after consultation I understand we will defer making this motion until later this day.

While I am on my feet I would like to table copies in English and in French of the booklets illustrating the new form in which the estimates will henceforth be prepared. I assume these will be distributed in the usual way to hon. members and I hope they will be of use to them in their study of the current estimates to which they relate in the various committees.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

MANPOWER AND IMMIGRATION CONTRACT EMPLOYEES

Question No. 629—**Mr. Orlikow:**

1. (a) How many individuals have been employed on a contract basis by the Department of Manpower and Immigration since the Department was established (b) what is the name and qualification of each person who has been employed under each individual contract since the Department was established (c) what has been the daily, weekly, monthly or annual salary for each person working under a contract for the Department (d) how much per diem did the Department of Manpower and Immigration pay for those individuals under contract while (i) in travel status (ii) at headquarters?

2. How many individuals are now working under contract for the Department of Manpower and Immigration and what specific Branch or Branches in the Department are they assigned to?

3. Could the work performed by individuals under contract be performed by the regular staff of the Department of Manpower and Immigration?

4. How are individuals employed under contract by the Department of Manpower and Immigration being hired (a) by the Public Service Commission (b) by the Department of Manpower and Immigration?

5. What desirable qualifications are required for those positions and what is the criterion used in making the selection in each case?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. (a) 12; (b) See Appendix "A"; (c) See Appendix "A"; (d) (i) $16,987.12; (ii) nil.

2. Six. All are assigned to the Staff Training and Development Task Force.

3. No.

4. (a) No; (b) yes.

5. There are no desirable qualifications specified for these positions. The criterion used in making the selection in each case includes the following essential qualifications: a Bachelor's Degree in education, psychology, social work or business administration; five or more years experience in the field of staff training and development at a senior level; and the ability to manage, communicate and maintain effective interpersonal relations.

Appendix "A"

Department of Manpower and Immigration Individuals Employed on a Contract Basis Since Department was Established—January 1, 1966

Service Contracts Under TB 659318 and TB 670357 for 1967/1968

(b) Name	Qualification	(c) Annual Salary $
Bissonnette, E.	Professional Consultant	13,000
Bollen, J.	Training Specialist	19,000
Brooker, W. M. A.	Training Consultant	15,000
Dewis, G.	Professional Consultant	14,500
Fletcher, A.	Senior Technical Writer	14,000
Freisen, P. A.	Senior Technical Writer	13,500
McLean, C. (Miss)	Professional Consultant	12,000
Nault, C. (Mrs.)	Professional Consultant	13,000
Stevens, W. R.	Regional Training Manager	18,000
Thibodeau, G. H.	Regional Training Manager	18,000
Whitney, R. C.	Regional Training Manager	18,000
Zeitoun, L.	Professional Consultant	15,000

Note: Per diem amount (Applicable to the above contracts) 1. In Travel Status: In Canada $25; Outside Canada $32. 2. At Headqua rters: Nil.

REFERENDUM ON CONSTITUTIONAL QUESTION

Question No. 756—**Mr. Matte:**

1. Is it the government's intention to hold a referendum on the constitutional question and, if not, for what reasons?

2. If the government intends to hold such a referendum, when will it be held?

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): 1. The government has no present intention of holding, and indeed can see no reason to hold, a referendum on the Constitution at this time.

2. Not applicable.

INFORMATIONAL AND CULTURAL TELEVISION

Question No. 907—**Mr. Robinson:**

Is the federal government planning, in the public television field, for a system of informational and cultural programming to acquaint the Canadian public with the works of governmental departments and the cultural heritage of Canada?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): Not at present, but films produced by the National Film Board, touching these subject areas, have been shown on television, and other films of a similar kind are available.

TUPPER POINT, N.S.—GULF OIL REFINERY

Question No. 1,004—**Mr. Fortin:**

Has the Canadian Government studied a request by British American Oil to borrow a certain amount of money to enable its subsidiary Gulf Oil Corp. to construct a new refinery at Tupper Point, Nova Scotia and, if so (a) what is the amount requested (b) what is the proposed rate of interest (c) what are the suggested terms for repayment?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): By an agreement signed on April 17, 1968 on behalf of the governments of Canada and Nova Scotia, Cape Breton Development Corporation and The British American Oil Company Limited, a grant of $4.5 million ($2.5 million from federal and $2.0 million from provincial funds) was made available towards the cost of an oil dock and ancillary facilities, estimated to cost $8.4 million, at the Point Tupper, Nova Scotia, site of the British American Oil Company (now Gulf Canada Limited) refinery currently under construction. The federal government is also

financing the balance of the cost of the dock and will lease it to the company for 25 years at an annual rental which will amortize the cost of the dock, less $4.5 million, plus interest at the government rate. Under the terms of the agreement, title to the dock will be conveyed to the company at the end of the lease period.

[*English*]

CAR ALLOWANCE TO MINISTERS

Question No. 1,037—**Mr. Coates:**

1. In view of the answer received to Question No. 321, is it the intention of the Prime Minister and the Cabinet Ministers who have a chauffeur service provided to return the $2,000 car allowance to the federal Treasury?

2. Are Cabinet Ministers who have a chauffeur service provided required to make payments to the federal Treasury for the maintenance of vehicles used and, if so, how much has each Cabinet Minister paid out in the maintenance costs?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): 1 and 2. No Minister has been provided with a chauffeur-driven vehicle for his personal use. As was stated in the reply to Question 321, the 1968-69 estimates provide funds for a chauffered motor vehicle which is available to the Prime Minister during the performance of many of his official dutys, although he frequently prefers to drive his own car. In addition, as was stated in the same reply, some Ministers in the course of performing their official duties are occasionally driven in departmental cars or by departmental employees.

C.B.C. PROGRAM "AIR OF DEATH"

Question No. 1,048—**Mr. Knowles (Norfolk-Haldimand):**

1. With regard to the CBC program, "Air of Death", will the CBC study the special report of a three-man committee appointed by the Government of Ontario to investigate the allegations in the program?

2. Has any study been made, or will such be made, as to whether the program was a balanced presentation?

3. Did those preparing the program interview the local Medical Officer of Health or other doctors as to actual conditions of health of patients and, if so, how much, if any, use was made of such in the program?

4. (a) Did the program state that cattle had suffered "falling teeth" and that hundreds of cattle had died (b) on whose farm or farms did such take place?

5. Did the program state that people were suffering from fluoride poisoning and, if so, is such statement backed by medical evidence?

6. Are there any plans to present another program to meet the criticism directed at "Air of Death"?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. Yes. A thorough study is being conducted.

2. Yes. The program has been the subject of intensive study within the Corporation.

3. An attempt was made to contact the Medical Officer of Health but he was not available at the time. An interview was conducted with Dr. W. G. Green, family physician to some of the participants in the program. This interview was not used because of poor broadcast quality of the voice track but information contained in the interview was used as background information in preparation of the script for the program.

4. (a) Yes. One of the farmers interviewed, Mr. Ted Boorsma, shown on camera with one of his cattle, referred to stains on the teeth and that sometimes the teeth fall out. Two additional references to loss of teeth appeared in the script of the program, based on statements of farmers in the Port Maitland area.

4. (b) Spokesmen for the local air pollution committee advised members of the C.B.C. production crew that "falling teeth" took place on the farms of Messrs. Boorsma and McAlonan and others. The committee also estimated that over a thousand cattle had contracted fluorosis and that many of these had died. The committee did not specify the name of the farmers on whose farms these cattle had died. However, the names of farmers compensated for fluoride damage, amounting to a total of $102,831.64, appear in the appendix of the report of the Ontario Government committee of inquiry into pollution (the Hall Committee). It is stated in the body of this report on pages 118 and 119, that the number of cattle compensated for was, in 1965—198 head, in 1966—125 head. The report does not specify the number compensated for in 1967.

A few months before "Air of Death" telecast of October 22, 1967, the Minister of Health for the Province of Ontario made the following statement in the legislature (on May 8, 1967): "In 1965 some 207 livestock were judged to have fluorosis. The figures for 1966 have not been completed as yet. To the best of our knowledge all cattle with fluorosis have been disposed of. We have no record of cattle being destroyed for other reasons." (Page 3116,

official report, Legislature of Ontario debates, May 8, 1967).

5. Dr. George L. Waldbott, M.D., F.A.C.P., F.A.C.A., F.A.A.A., F.A.C.C.P., a specialist in allergic diseases, interviewed in the program, was introduced as having found that two farmers seemed to be suffering from fluoride intoxication. After describing the symptoms he found in the two patients he stated that first of all they should be hospitalized and more thorough and conclusive tests be carried out. Dr. Waldbott was asked "What's going to happen to these people who have fluoride poisoning if something isn't done for them?" He gave the opinion that if the persons affected were taken out of their surroundings the disease would clear up by itself but, if they continued to live in the area, eventually more serious damage would result.

6. No. Research is continuing on the general subject.

WORKING LANGUAGE IN CABINET MEETINGS

Question No. 1,249—**Mr. McIntosh:**

1. What is the working language of (a) meetings of the Cabinet (b) meetings of Committees of Cabinet (c) the Office of the Prime Minister (d) the offices of the Privy Council?

2. Is the Cabinet Room of the Privy Council equipped with facilities for simultaneous translation and, if so, is this equipment used at all meetings as a matter of routine?

3. If the Cabinet Room is not so equipped, in what manner may unilingual Members of the Cabinet participate in deliberations of the Cabinet?

4. Is Mr. C. J. Mackenzie, Secretary General of National Museums of Canada, Department of the Secretary of State, rated as fully bilingual by his department or by the Public Service Commission?

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): 1. (a) and (b); 2 and 3. All aspects of proceedings within the Cabinet and Cabinet Committees have always been regarded as confidential and subject to the oath of secrecy. It would not be in the public interest to depart from this well established constitutional position; (c) and (d) Both English and French are working languages in the office of the Prime Minister and the Privy Council Office and any officer may use the language of his choice.

4. Mr. Mackenzie, who is not fully bilingual, is improving his ability to speak French through language training courses given by the Public Service Commission. According to the Commission, Mr. Mackenzie is already well able to write and understand French to the extent required for him to perform his functions.

[Mr. Stanbury.]

PROVINCIAL DEBT

Question No. 1,273—**Mr. Matte:**

1. What was the debt of each province at the time of Confederation in 1867?

2. What is the present debt of each of these provinces?

Hon. E. J. Benson (Minister of Finance): 1. In 1867 only Nova Scotia, New Brunswick and the Province of Canada (divided into the Provinces of Ontario and Quebec by the B.N.A. Act of 1867) joined together to form Confederation. With the exception of Newfoundland, the other provinces did not exist as political entities at that time. The portion of the total debt of the Province of Canada attributable to each of Ontario and Quebec has not been established. The net debt of each of the three provinces on the eve of Confederation, June 30, 1867, was $9.0 million, $7.8 million and $74.4 million respectively for the provinces of Nova Scotia, New Brunswick and Canada.

2. The Provincial Public Accounts show the debt of each province. However, because the provinces' accounts are not all on the same basis, these figures are not easily comparable from province to province. The latest available comparative figures can be found in the Dominion Bureau of Statistics Publication, Provincial Government Finance. As of March 31, 1965, the total direct and indirect debt, less sinking funds, for Nova Scotia, New Brunswick, Quebec and Ontario respectively were approximately $330,887,000; $365,322,000; $3,145,783,000 and $3,981,994,000.

APPOINTMENT OF INFORMATION OFFICERS

Question No. 1,280—**Mr. Diefenbaker:**

1. How many appointments to the Public Service in the classifications Information Officer 4 and 5 have been made since January 1, 1968, to date?

2 Were these appointments, if any, made from outside the Public Service or by promotion within it?

3. What are the names of those appointed and to what positions were they appointed?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the Public Service Commission as follows: 1. 14.

2. Six from outside the Public Service; eight from within the Public Service.

3.

Appointed as IS/4	Department
*Mr. Dwight E. Dolan	Indian Affairs and Northern Dev.
Mr. Alan H. Donnelly	Finance
Mr. Darrell Eagles	Indian Affairs and Northern Dev.
Mr. Keith V. D. Gardner	Trade and Commerce
*Mr. Denis J. Orchard	Finance
*Mr. Jean-Louis Delorimier	Trade and Commerce
Mr. Douglas A. Shenstone	Energy, Mines and Resources
*Mr. Benjamin C. Ward	Canadian Transport Commission
Mr. Harry M. Furniss	National Revenue (Taxation)

Appointed as IS/5	Department
*Mr. Paul Boudreau	External Affairs
*Mr. J. Reeves Haggan	External Affairs
Mr. Ken A. Prittie	Trade and Commerce
Mr. Kenneth F. White	Dominion Bureau of Statistics
Mr. Stanley K. Westall	Canadian International Development Agency

* Appointed from outside the Public Service.

CUMBERLAND-COLCHESTER NORTH
POST OFFICE CLOSURES

Question No. 1,289—**Mr. Coates:**

1. How many post offices have been closed since June 25, 1968, in the constituency of Cumberland-Colchester North?

2. What are the sites of the closures that have taken place to date?

3. Are further post office closures contemplated in the present fiscal year and, if so, what are the sites of the proposed closures?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. None.

2. Not applicable.

3. In accordance with the policy to close smaller Revenue Post Offices, it has been decided to close the following offices: Londonderry Station; Upper Economy; Wentworth Centre; Head of Amherst; Old Barns; Thomson Station; Tidnish.

It is not expected that these offices will be closed before the coming Spring.

Further studies are being conducted with a view to closing additional Post Offices in this constituency within the closing program criteria but no decision has been made on any particular case as yet.

PENITENTIARY SERVICE AUSTERITY
PROGRAM

Question No. 1,290—**Mr. Coates:**

1. Does the Canadian Penitentiary Service have an austerity program in effect insofar as employment of new staff is concerned?

2. If such an austerity program is in effect, has it had an adverse effect on the operation of penal institutions in the Maritime Provinces?

3. How many new employees were taken on strength in the Maritime Provinces in the last fiscal year?

4. How many additional employees were taken on strength in each of the fiscal years from 1963 to 1967 in the Maritime Provinces?

Hon. G. J. McIlraith (Solicitor General): 1. Yes.

2. No.

3. 43.

4.

Fiscal Year	Number
1963/64	17
1964/65	64
1965/66	93
1966/67	119

SPRINGHILL, N.S., YOUNG OFFENDERS
INSTITUTION

Question No. 1,291—**Mr. Coates:**

1. What is the total employee and inmate strength at the Young Offenders Penal Institution in Springhill at the present time?

2. On what date will this penal institution be fully operational?

Hon. G. J. McIlraith (Solicitor General): 1. Medium Security Institution Strength (January 31, 1969): Employees, 192. Inmates being gradually admitted until Institution reaches full capacity. Present inmate population, 126.

2. This institution will be fully operational approximately July 1, 1969.

Questions

LOSS OF OLD AGE SECURITY CHEQUES

Question No. 1,295—**Mr. Godin:**

1. During the months of October, November and December 1968, were any Old Age Security cheques lost prior to their delivery?

2. If so, for each month and by province, how many Old Age Security pensioners eventually received duplicates of such cheques?

Hon. E. J. Benson (Minister of Finance): 1. Yes.

2.

Province	Oct.	Nov.	Dec.
Newfoundland	4	5	4
Prince Edward Island	2	2	7
Nova Scotia	6	10	2
New Brunswick	6	14	14
Quebec	86	142	146
Ontario	99	107	30
Manitoba	10	9	9
Saskatchewan	8	7	2
Alberta	16	16	13
British Columbia	67	50	31
	304	362	258

CIVIL DEFENCE ADMINISTRATION COSTS

Question No. 1,303—**Mr. Mather:**

1. What, in dollars, was the federal cost of Civil Defence administration and operations in 1967 and 1968?

2. What, in dollars, was the same cost during the years, 1957-1968?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): In so far as the Department of National Defence is concerned, the Canadian Armed Forces' contribution to the Canadian Civil Defence program is only one of many activities in which military personnel participate. The personnel, equipment, facilities and other resources which would be allocated to that activity should the need arise, are employed in the course of any given fiscal year on other tasks or functions. Therefore, it is not possible to isolate costs which could be specifically assigned to civil defence.

In so far as the Emergency Measures' Organization is concerned, the reply is as follows: 1. $26,125,700.

2. $94,064,337.

[Mr. McIlraith.]

MONTMAGNY, QUE., HEAVY WATER PLANT

Question No. 1,307—**Mr. Lambert (Bellechasse):**

Did the government have a study made concerning the possibility of establishing a heavy water plant to be located in the vicinity of the City of Montmagny or in the surrounding region and, if so, what was the result of the study?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): In so far as Atomic Energy of Canada Limited is concerned, no.

CUMBERLAND-COLCHESTER NORTH PROJECTS

Question No. 1,314—**Mr. Coates:**

What projects will be carried out in the constituency of Cumberland-Colchester North by the Harbours and Rivers Division of the Department of Public Works in the fiscal year 1969-70, at what locations and at what estimated cost to the federal Treasury?

Hon. Arthur Laing (Minister of Public Works): Diligent River: Barricade; Five Islands: Wharf repairs; Joggins: Wharf repairs; Northport: Wharf repairs; Pugwash: Paving, Dredging by departmental plant; Wallace: Derricks.

It is not customary to give the estimated cost of a project before tenders are called.

PRINCE EDWARD ISLAND POST OFFICE CLOSURES

Question No. 1,328—**Mr. MacLean:**

How many rural post offices have been closed in Prince Edward Island in each of the last five years?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1964, none; 1965, 3; 1966, 6; 1967, 3; 1968, 8.

NEWFOUNDLAND—POLLUTION AT LONG HARBOUR

Question No. 1,331—**Mr. Harding:**

1. What are the results of the investigation of the Fisheries Department into the dead fish discovered near the plant of Electric Reduction Company of Canada Ltd. at Long Harbour, Placentia Bay?

2. Was the main cause for the dead fish, waste material being pumped into the harbour by the above plant?

3. If so, what action is the government considering in order to eliminate this pollution?

Mr. E. F. Whelan (Parliamentary Secretary to the Minister of Fisheries): 1. There was an accidental brief overflow in the new Electric Reduction Company of Canada plant during the start up, from a system containing water which may be contaminated with fluorine and phosphorus. This system is normally partially closed. Officials assured the Department that such an occurrence would not take place in normal operation. A localized fish kill occurred.

2. This appears by virtue of coincidence of timing of fish kill and overflow to have been the case, but analyses of dead fish have not detected sufficient excessive toxic dosages to confirm this without doubt.

3. A program of regular water samples from the outfall area was immediately instituted to monitor for possible contamination, and bottom organisms near the outfall have been inspected by Departmental scuba divers. There have been no indications of a recurrence of excessive pollution.

EMBASSIES AND CONSULATES IN CANADA

Question No. 1,361—**Mr. Robinson:**

How many Embassies and/or Consulates are there in Canada, what countries are represented and where is each Embassy and/or Consulate located?

Hon. Mitchell Sharp (Secretary of State for External Affairs): There are 100 countries which have diplomatic representatives accredited to Canada. 63 of these are resident in Ottawa and 37 with dual accreditation are resident in Washington or New York. 80 of the missions are Embassies and 20 are Commonwealth High Commissions. There are also 283 consular and trade offices in various cities across Canada. Addresses are listed in the publication "Representatives of Other Countries in Canada" prepared by the Department of External Affairs.

OVERPAYMENTS ON TETRACYCLINE SALES

Question No. 1,378—**Mr. McGrath:**

1. Is there any evidence of price-fixing in Canada on the part of those drug firms making tetracycline and, if so, is the federal government considering laying charges to recover overpayments, as recently happened in the United States to the tune of 120 million dollars?

2. Has the Minister consulted with authorities of the United States Government on this question, with regard to other drugs which may be subject to price-fixing?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. On January 23, 1968 (unrevised *Hansard*, p. 5844) the then Minister of Consumer and Corporate Affairs informed the House that material obtained by the Director of Investigation and Research under the Combines Investigation Act in the general inquiry under section 42 of the Act concerning the manufacture, distribution and sale of drugs did not indicate the existence of an arrangement to fix prices of antibiotic drugs among Canadian companies. He also stated that the Director was in touch with the Antitrust Division of the United States Department of Justice to ascertain whether any disclosures in their criminal proceedings under U.S. legislation indicate there might be a similar situation with respect to Canadian operations. The Director advises that after communicating with the United States authorities he was satisfied there was no reason to believe an offence had taken place in Canada. It should be added that the actions to recover overpayments in the United States are civil actions for damages laid by public and private purchasers from the drug manufacturers.

2. Apart from the consultation of the Director with the United States Antitrust Division, there have been no further communications.

TORONTO—BELL TELEPHONE-CABLE TV COLLUSION

Question No. 1,381—**Mr. Burton:**

1. Is the Department of Consumer and Corporate Affairs conducting an investigation into a case of apparent collusion between Bell Telephone Company and 5 cable TV companies in the Toronto area?

2. If so, what are the terms of reference for the investigation and by whom is it being conducted?

3. Is the Department of Consumer and Corporate Affairs conducting an investigation into the affairs of Bell Telephone Company and one of its subsidiaries Northern Electric Company?

4. If so, what are the terms of reference for the investigation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. In reply to questions asking whether inquiries have been instituted under the Combines Investigation Act, the general practice is that no information is given out as to whether a particular inquiry has been or is being pursued with respect to a particular group of companies or individuals unless and until a report is published.

2. See answer to 1.

Questions

3. Yes. An inquiry is being conducted under the Combines Investigation Act which concerns the relationship between the Bell Telephone Company of Canada and Northern Electric Company, Limited. The reason for disclosing the existence of the inquiry and the matters with which it is primarily concerned are set out in the Annual Report of the Director of Investigation and Research under the Act for the year ended March 31, 1968, at pages 54-55.

4. See answer to 3.

ST. JEAN-DE-LALANDE, QUE., POST OFFICE

Question No. 1,394—**Mr. Rodrigue:**

Does the government intend to build a post office at St. Jean-de-Lalande (Hamel Office), in the federal constituency of Beauce?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): Not at the present time.

[*English*]

ROYAL COMMISSION ON THE STATUS OF WOMEN

Question No. 1,427—**Mr. Fortin:**

1. When was the Royal Commission on the status of women established and who are the members of that Commission, what amount has each member received since that Commission was established?

2. What has been the cost of the Commission since its establishment?

3. When will the Commission present its report?

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): I am informed by the Royal Commission on the Status of Women in Canada as follows: 1. The Royal Commission on the Status of Women in Canada was established by Order in Council on February 16, 1967.

The persons appointed to this Commission and the amounts received by each member are as follows: Mrs. Florence Bird, Ottawa, Ontario, $36,737.50; Mr. Donald Gordon, Jr. (resigned November 1/67), Waterloo, Ontario, $5,550.00; Mr. Jacques Henripin, Montreal, P.Q., $16,425.00; Dr. John P. Humphrey (appointed Feb. 2/68), Montreal, P.Q., $10,875.00; Mrs. Lola M. Lange, Claresholm, Alberta, $24,750.00; Miss Jeanne Lapointe, Quebec City, P.Q., $17,400.00; Miss Elsie Gregory MacGill, Toronto, Ontario, $22,750.00; Mrs. Doris Ogilvie, Fredericton, N.B., $23,550.00.

[Mr. Basford.]

2. The total cost of this Commission from its establishment to February 18, 1969 is $995,599.

3. The Commission is endeavouring to present its Final Report by the end of the year.

PENSION TO JAMES COYNE

Question No. 1,437—**Mr. Coates:**

1. Is James Coyne, the former Governor of the Bank of Canada in receipt of a pension at the present time and, if so, what is the amount of his pension and how much has he received to date in pension payments?

2. Have any actions been taken that would result in an increase in the pension of future Governors of the Bank of Canada who retire?

Hon. E. J. Benson (Minister of Finance): 1. The situation with respect to Mr. Coyne's pension was described by the Minister of Finance on November 18, 1963, in reply to a question by the Member for Cape Breton North and Victoria, *Hansard* page 4856. Mr. Coyne has continued to draw the same pension since that date.

2. The pension rights of future Governors of the Bank will depend upon their length of service, the salary they have received over various periods and the reason for their retirement. The present by-law relating to the pension rights of a Governor who retires for any reason other than age or disability is that approved by P.C. 1967-744 which appears in the Canada Gazette of May 13, 1967 (page 1365). It requires the payment of extra contributions to the pension fund in consideration of the special rights relating to retirement for reasons other than age or disability. While the specific wording of the question does not apply to the present Governor, the latter has advised me that he completed last year the payment of the extra contributions referred to above and that he had informed the Board of Directors that he would not draw more in pension under this by-law than what he would have been entitled to at the end of the period during which he made the extra contributions. Consequently the recent change in the present Governor's salary has no effect on his pension.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

INQUIRY BY KATES PEAT MARWICK AS TO CROWN CORPORATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to

direct a question to the Postmaster General. In view of his announcement of the decision to make the post office into a Crown corporation would the minister say whether the study by Kates Peat Marwick and Company of Toronto investigating this question was received by the government before the decision was taken?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I made no such announcement. If one had read the reports of this in the Montreal *Star*, the Montreal *Gazette*, or *La Presse* of Montreal he could have seen that. I said that there were studies going on looking forward to the possibility of a Crown corporation and at that time, in the fall, I would submit such reports to my colleagues in the cabinet.

IMMIGRATION

TIMING OF DISTINCTION BETWEEN DESERTERS AND DRAFT DODGERS

Mr. David Lewis (York South): Mr. Speaker, I should like to direct this question to the Minister of Manpower and Immigration. Would the minister inform the house whether at entrance points from the United States there is a difference in the policy applied to draft dodgers and to military deserters, and if so when that difference in policy was issued as a directive to the officers concerned.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I have already explained several times this distinction in policy. I would be happy to inquire as to the exact date of the formation of this policy. It is certainly not a new policy with regard to the department, since I became the minister.

Mr. Lewis: I have a supplementary question, Mr. Speaker. In view of the fact that the Prime Minister the other day is reported to have said there is nothing in the law which makes such a distinction, in so far as what I have read is concerned, and the fact that there is a great deal of confusion in the minds of many of us with regard to the distinction, would the minister indicate what the distinction is between the two classes of people seeking admission.

Mr. Speaker: I have the impression this is a point of debate more than the type of question which should be asked at this time.

Mr. Lewis: May I rephrase it with your permission, Mr. Speaker, and ask the minister whether he would consider tabling the directive that contains the difference in respect of the treatment to be given to those applying as draft dodgers and those applying who are said to be military deserters. When tabling that document would the minister also indicate what basis there is in the statute for such a distinction.

Mr. MacEachen: Mr. Speaker, I will consider tabling such a document, but I should tell my hon. friend that these documents are internal in the department and are not normally tabled. However I shall consider whether in this case an exception should be made.

[*Translation*]

EXHIBITIONS

REQUEST FOR DECISION ABOUT MAN AND HIS WORLD

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Prime Minister.

This morning, the radio announced that a decision would be taken today concerning Man and His World, in Montreal. Could the Prime Minister make a statement in that connection?

Right Hon. P. E. Trudeau (Prime Minister): I do not know what decision will be taken in Montreal, Mr. Speaker, but as far as the federal government is concerned, the matter is in the hands of the Minister of Industry, Trade and Commerce, who at this time is in Western Canada. I know that he is to give consideration to that problem and I understand he is to meet the authorities of the city of Montreal tomorrow.

[*English*]

NATIONAL DEFENCE

NATO—SUGGESTION INVOLVING EXCLUSION FROM EUROPE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has the government of Canada received any exchanges from the French government or General de Gaulle personally relating to a new European relationship excluding NATO from Europe and if so what was Canada's reaction to such a suggestion?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker; the Canadian government has not received any such representation from the French government but was made aware of the conversations between the British ambassador to Paris and the President.

Inquiries of the Ministry

Mr. Muir (Cape Breton-The Sydneys): May I ask the minister whether the government of Canada had any discussion or conversation either with the French government or the General himself regarding Canada's role in NATO?

Mr. Sharp: Not so far as I am aware, Mr. Speaker.

LABOUR RELATIONS

FULL TIME FEDERAL MEDIATION SERVICE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Labour. Is it the intention of the government to establish a full time federal mediation service as suggested by the Canadian Railway Labour Executives Association last Monday?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I made such an announcement on several previous occasions.

While I am on my feet I should like to congratulate the hon. member for his particular support of Bill C-186.

Mr. Hees: On a point of order, Mr. Speaker, I am 100 per cent against Bill C-186, but I should like to ask the hon. member a supplementary question. When meeting with the C.N.T.U. did that body express the opinion in respect of the government's dropping of Bill C-186 that it was the greatest example of political duplicity since the days of Mackenzie King.

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

FINANCE

SECURITIES COMMISSION—REQUEST FOR PROGRESS REPORT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs to advise the house what progress he has been able to make with provincial authorities in arriving at an agreement for a national securities commission and, if he has run into problems generally, what is the nature of those difficulties, in view of the fact that the government has announced this legislation is to be considered later this session?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, because the discussions are confidential I think it would be premature on my part to divulge what was actually being discussed and what, if any, problems there are. I previously announced that I expect to lay before the house some legislation dealing with this situation, at which time the policy of the government will be known.

Mr. Lambert (Edmonton West): I am not fishing for details, Mr. Speaker, but in view of the fact that a lot of people support the idea of a national securities commission, can the minister indicate what difficulties have been encountered, and that they are matters of detail rather than of fundamental principle?

Mr. Basford: I do not want to comment one way or the other, Mr. Speaker. In light of what the hon. member has said in observing that there is widespread support for some form of national securities administration, I would expect that any difficulties there may be will be overcome in light of that widespread support.

OIL

REQUEST FOR STATEMENT OF CANADIAN POLICY

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, in view of the fact that President Nixon has taken over from the Secretary of the Interior responsibility for oil import policy, what steps have been taken or are in the process of being taken by the Canadian government to put Canada's position and its necessities before the president, so far as the export of oil from this country to the United States is concerned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, whatever steps are being taken are being taken by the minister responsible for energy, mines and resources.

Mr. Harkness: Mr. Speaker, I did not hear the last part of what the Prime Minister said, and I do not know who is responsible as far as this particular matter is concerned at this moment. That is why I asked the Prime Minister the question. I should like to ask him whether he can assure us that this is one of the subjects he will be taking up with the President when he meets with him?

Mr. Trudeau: Yes, Mr. Speaker, this will be one of the subjects I will be dealing with when I go to Washington. The minister in charge is the Minister without Portfolio from Saskatchewan.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, will the Prime Minister assure

us that Canada's oil market and oil production will not become a sacrificial lamb or a quid pro quo in respect of changes by Canada of its NATO policies?

Mr. Speaker: I think the hon. member's supplementary question is more in the form of a presentation.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, when the Prime Minister is speaking with President Nixon about this very important matter of oil policy, will he see to it that President Nixon is asked to give Canada the same kind of square deal the Conservative government was able to get from the United States government on an earlier occasion?

INDIAN AFFAIRS

POSTPONEMENT OF CONFERENCE ON NATIVE PEOPLE

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development and the Minister without Portfolio, perhaps I could direct my question to whoever is substituting for the minister today. I should like to ask whether we might have an explanation as to why the federal conference on native Indian people scheduled for March 6-March 14 has once again been postponed?

Right Hon. P. E. Trudeau (Prime Minister): The department will be under question tomorrow, Mr. Speaker.

Mr. Howard (Skeena): I didn't ask you the question.

Mr. Trudeau: Whom did you ask?

REGIONAL DEVELOPMENT

ARDA AND FRED—EFFECT OF NEW PROGRAM

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to ask the minister of economic and regional development whether he will consider making a statement for purposes of clarification, on motions or at some other time, as to whether or not the new regional economic development program which this government envisages will in any way affect the operations of ARDA and FRED in specific designated areas in Canada? I ask that question because of the growing impression that the new policy of the government will somehow or other affect the operations of these existing programs.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker there is no doubt that the new legislation will affect existing programs. Moreover, I expect that we will soon have the opportunity to discuss all these matters when the bill is before the house.

[*English*]

ATLANTIC REGION—STEPS TO ENCOURAGE ESTABLISHMENT OF INDUSTRY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the minister of regional expansion. Would the minister indicate whether discussions are now being held either by himself or his officials with respect to the immediate encouragement of the establishment of large scale industry in the Atlantic region, similar to the recent announcement made by the Ford Motor Company with respect to its $50 million plant to open shortly in Windsor?

Mr. Speaker: Order, please. It seems to me the hon. member is asking the minister to make a statement of very wide scope and general nature that perhaps should be made at the calling of motions. The hon. member may want to suggest to the minister that he make this kind of statement at the appropriate time.

Mr. MacDonald (Egmont): Perhaps I may rephrase my question, Mr. Speaker. I simply ask whether in view of many specific statements on this subject such discussions are going on at the present time with industry, in the hope of establishing large scale industry in the Atlantic region.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Certainly not through me, Mr. Speaker. I could find out if some department official is in touch with the people involved in this.

[*English*]

EXTERNAL AFFAIRS

POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Solicitor General, of which I gave him notice. In view of assertions made publicly by Mr. Paul Akehurst of Canadian Contemporary

Inquiries of the Ministry

News concerning depositions in a civil case in California indicating possible abuses of diplomatic privileges by Canadians abroad, including a possible connection with narcotics offences in Mexico, will the minister consider making a statement to the house tomorrow on this serious issue?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I want to thank the hon. member for his courtesy in giving me notice of the question. I will be very glad to obtain the necessary information and bring forward a reply either tomorrow or Wednesday, depending on how quickly I can get the information.

[*Translation*]

POST OFFICE DEPARTMENT

ROD SERVICE LIMITED—POSSIBILITY OF STRIKE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, could the minister tell the house if his meetings on Friday, in Montreal, managed to prevent the employees of Rod Service Limited from going on strike?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I was not expecting the employees of Rod Service Limited to go on strike.

Mr. Comeau: Mr. Speaker, I would like to ask a supplementary question.

Could the minister tell us if his department intends to cancel some of its contracts with Rod Service Limited, and, if so, could he also tell us how the employees of that company will be affected by such a decision?

Mr. Kierans: I have already cancelled two contracts pertaining to mobile and special services, and we have hired some 27 employees of Rod Service Limited.

[*English*]

SUPPLEMENTARY ESTIMATES (B), 1968-69

TREASURY BOARD—REQUEST FOR EXPLANATION OF ITEM 5B

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the President of the Treasury Board whether later in the day, when the motion is made to refer the supplementary estimates to the appropriate committee, the minister would make a full statement explaining the item of the supplementary estimates relating to vote 5B, for the sum of an additional $105 million for contingencies. This item relates to the estimates of the Treasury Board. Will the minister make such a statement at that time?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, this is a somewhat detailed question and I think perhaps it could be more reasonably asked of the committee, which is sitting tomorrow morning. I anticipate being asked this question and providing an answer there.

LABOUR CONDITIONS

SUMMER EMPLOYMENT FOR STUDENTS

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is it the intention of the government to set up a summer works program for university and high school students who will be seeking part time and full time employment within a few months?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the question of summer employment for students is presently under consideration in the department.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question to the Minister of Manpower and Immigration. I wonder whether, in view of the time of the year, and so on, relating to university students, the minister would avail himself of an opportunity at a very early date to make a statement on motions about the way in which his department is making plans for summer employment of such students, and how persons can avail themselves of the framework in which these plans are set up.

Mr. MacEachen: I shall be glad to consider that suggestion, Mr. Speaker.

CONSUMER AFFAIRS

QUALITY AND COST OF AUTOMOBILE REPAIRS

Mr. Barry Mather (Surrey): Mr. Speaker, may I address a question to the Minister of Consumer and Corporate Affairs. Is the minister giving consideration to initiating in this country an inquiry similar to that carried on in the United States by a government agency into the alleged high price and low qualty of car repairs across Canada?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, not at the moment. I have previously answered that question, to the effect that my officials are watching the inquiries being carried on in Washington by the Federal Trade Commission, and also the anti-trust proceedings in California, to determine whether there are conditions which would require appropriate action in Canada.

AGRICULTURE

INQUIRY AS TO PLANNING FOR FARM PROGRAM

Mr. George Muir (Lisgar): I have a question for the Minister of Agriculture. Is the minister contemplating a meeting with the provincial ministers of agriculture prior to spring seeding in order to work out with his provincial counterparts suggestions for a desirable farm program for this year?

Hon. H. A. Olson (Minister of Agriculture): Much more than that will take place before the spring planting, in that an agriculture congress will be convened in Ottawa on March 24 when, in addition to many of the provincial ministers of agriculture, leaders from all sections of the whole industry will be here to discuss and to try to find acceptable solutions to many of the problems.

FARM MACHINERY

REQUEST FOR ROYAL COMMISSION REPORT

Mr. Ed Schreyer (Selkirk): I have a supplementary question for the Minister of Agriculture. According to a news release from the minister's office today, the report from the royal commission on farm machinery prices is not expected until late 1969. I should like to ask the minister whether he has given consideration to asking the royal commissioners to try to have the report ready by the summer of this year so that action can be taken before 1971.

Hon. H. A. Olson (Minister of Agriculture): The hon. member knows that asking these royal commissions to report sooner than they feel is prudent is rather difficult, in view of the research which they need to carry out to provide proper answers to the questions referred to them. I have already advised the house that Dr. Barber will be providing us with an interim report, which can be the basis for a discussion of this problem at the agriculture congress next month.

GRAIN

REQUEST FOR STATEMENT ON DRYING OPERATION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Agriculture. In view of the fact that there is limited time left in which to dry the damp grain still on prairie farms, will the minister make a statement to the house in the near future on the progress that is being made in the drying of grain locally on farms in western Canada?

Hon. H. A. Olson (Minister of Agriculture): As the Minister of Industry, Trade and Commerce announced on Friday, I think, we will have a report from the Canadian Wheat Board which will give us their estimate of the total volume of tough and damp grain left on the farms. Of course this is only an estimate. However, I do not accept the hon. member's premise that there is a limited time left for drying. It could be variable, depending on the weather.

Mr. Gleave: I have a supplementary question, Mr. Speaker. In addition to providing us with information from the Wheat Board on the volume of grain to be dried, will the minister also provide us with information as to the number of driers which have been set up locally and the estimated drying that can be done.

Mr. Olson: Yes, Mr. Speaker.

DRUGS

REQUEST FOR ROYAL COMMISSION TO STUDY CRIME

Mr. Steven E. Paproski (Edmonton Centre): I would like to direct this question to the Solicitor General. In view of the increasing reports of drug distribution, including not only marijuana and l.s.d. but heroin and hashish, will the government now give consideration to setting up a royal commission on international crime, as requested by several provincial attorneys general?

Hon. G. J. McIlraith (Solicitor General): I do not believe I can accept the premise on which the question is based. There are not requests for such commission from several attorneys general.

Mr. Paproski: I have a supplementary question, Mr. Speaker. Is the minister aware of the reference yesterday on C.B.C. "Sunday Supplement" to the effect that marijuana can be purchased in Edmonton seven days a week, and will he look into the situation?

Inquiries of the Ministry

IMMIGRATION

POSSIBILITY OF INCREASED NUMBERS FROM FRENCH SPEAKING NATIONS

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of Manpower and Immigration. In view of Canada's commitment to the new Francophonia agency, can the minister state whether there are any plans for increasing immigration from French speaking nations to Canada, as a means of assisting them?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I am not sure whether I heard the hon. member's question correctly.

An hon. Member: Or wanted to hear it.

Mr. Muir (Cape Breton-The Sydneys): Perhaps the minister would take it as notice, read it in *Hansard* and reply at his convenience.

CANADIAN CONFEDERATION

SUPPORT BY FRANCE TO EFFECT QUEBEC SEPARATION

Mr. Norman A. Cafik (Ontario): I have a question to direct to the Secretary of State for External Affairs. Does the Canadian Government contemplate any action regarding the alleged statement by the foreign minister of France that France would support efforts by Quebec to separate from Canada, if requested by that province?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am not aware that the foreign minister of France has made any such statement.

Mr. Baldwin: Aren't you on his mailing list?

EXTERNAL AID

BIAFRA—POSSIBILITY OF INCREASED RELIEF EFFORTS

Mr. David MacDonald (Egmont): I have a question to direct to the Prime Minister, Mr. Speaker. It relates to the statement made on Saturday by President Nixon that the United States intends to step up its relief work to Nigeria and Biafra without becoming involved in the political aspects of the conflict, and his appointment of Professor Clarence Ferguson of Rutgers University to talk with both sides. In the light of this substantial alteration in United States foreign policy in connection with relief operations, is the government reconsidering its own policy to make Canada's relief efforts more effective?

[Mr. Paproski.]

Right Hon. P. E. Trudeau (Prime Minister): We are always considering ways of making our relief efforts more effective, but I repeat, the best way of making them more effective would be to receive authorization from Colonel Ojukwu to allow daylight landings in Biafra.

Mr. MacDonald (Egmont): In the light of this important statement by the President, would the Prime Minister see to it that this topic is raised during his conference with him toward the end of March, and meanwhile would he make himself more fully aware of the United States commitment in this regard?

Mr. David Lewis (York South): May I ask the Prime Minister or the Secretary of State for External Affairs whether it is not the case that Colonel Ojukwu's refusal resulted from the conditions set down by the federal military government in Nigeria, that no other planes would be allowed to land at Uli airport except relief planes and, if so, whether the Canadian government supports that Nigerian position?

Mr. Trudeau: That is not the Nigerian position as stated to Professor Head of my office by General Gowon himself last October. The conditions laid down were that daylight flights should be used only for relief purposes and not for the transportation of arms. That was the only condition demanded by General Gowon, and it seemed to us a reasonable one.

EXTERNAL AFFAIRS

BIAFRA—BOMBING OF CIVILIANS AND RED CROSS OUTPOSTS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Has Canada protested to Nigeria against that country's daylight bombing of civilians and Red Cross outposts in built-up areas of Biafra? Has the Prime Minister expressed the abhorrence of Canadians for this type of brutality?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have not made any specific protest. War is a horrible thing, and the sooner it is over the better. Therefore, the earlier we can get agreement upon a basis for negotiation the better. At the present time such a basis does not exist. We may deplore the acts of war but we cannot stop them as long as war goes on.

Mr. Lorne Nystrom (Yorkton-Melville): Will the minister condemn the Nigerians for this type of activity and protest to them, since we have not done so already?

Mr. Sharp: There are atrocities on all sides in all wars, Mr. Speaker.

POST OFFICE DEPARTMENT

P.E.I.—REQUEST FOR FASTER DELIVERY

Mr. Melvin McQuaid (Cardigan): My question is directed to the Postmaster General, Mr. Speaker. What does his department propose to do to speed up mail delivery service from Central Canada to Prince Edward Island? We might as well be living in Siberia, Mr. Speaker.

An hon. Member: Hear, hear.

INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Forestry and Rural Development, Mr. Speaker. I should like to ask him whether or not the welcome sign is still on the mat for him at the office of his old union, the C.N.T.U. since his government so unceremoniously dumped his brainchild Bill C-186, once its usefulness in the election was over?

Mr. Speaker: Order.

UNEMPLOYMENT INSURANCE

VANCOUVER ISLAND—DELAY IN PAYMENTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Minister of Labour whether he has received any complaints about long delays of up to four or five weeks in making payments of unemployment insurance on Vancouver Island, particularly to loggers who have been out of work since early in December, and if so what action has been taken by his department to rectify this situation?

Hon. Bryce S. Mackasey (Minister of Labour): I have received no such complaints directly in my capacity as Minister of Labour, Mr. Speaker. If the hon. gentleman knows of any particular case, of course I should like to deal with it personally, in view of the fact that I am rather happy to see him back in his seat. I can assure the hon. gentleman that all such problems are dealt with immediately and I doubt whether there is any basis for his allegation.

Inquiries of the Ministry

STUDENT UNREST

VANDALISM PROMPTED BY OUTSIDE POLITICAL FORCES

Mr. Steven E. Paproski (Edmonton Centre): I should like to direct this question to the Prime Minister, Mr. Speaker. While congratulating the right hon. gentleman on his forthright statement to student lawbreakers, I would ask him whether the federal government is taking any action to get at the causes of the outbreaks of violence across Canada, and to deal with the suggestion that various Marxist or communist groups are behind them?

Right Hon. P. E. Trudeau (Prime Minister): The Solicitor General has already stated in the house that his department and the R.C.M.P. have offered their co-operation to local and provincial police forces.

Mr. Paproski: Does the Prime Minister not feel that something more is required than a statement by himself to a Liberal meeting?

Mr. Speaker: Order.

FARM MACHINERY

PURCHASES FROM UNITED KINGDOM AT REDUCED PRICES

Mr. H. W. Danforth (Kent-Essex): I have a question for the Minister of Agriculture, Mr. Speaker, based on an answer which the hon. gentleman gave a few weeks ago to the effect that it may be many months before the Barber Commission is in a position to make a report to the government. In these circumstances, would the Department of Agriculture consider making a direct and immediate investigation into the alleged availability of British farm machinery to Canadian farmers at greatly reduced prices by comparison with current Canadian prices?

Hon. H. A. Olson (Minister of Agriculture): We have considered that, but Dr. Barber has indicated that he is inquiring into this very matter at the present time, and rather than set up another inquiry I think perhaps I should ask him for an interim report on this particular aspect of the matter.

Mr. Danforth: Does the minister believe there is a prospect of an interim report being provided before it becomes necessary to purchase machinery for this year's crop planting?

Mr. Olson: I am not sure whether an interim report could be provided in so short a

time. There are some farmers, I suppose, who think they should order the machinery they will need this spring right now, so they would have no time at all to wait for a report. However, I shall be in touch with Dr. Barber and we shall see what can be done by way of providing a report on his inquiries to date.

THE SENATE

INQUIRY AS TO MANITOBA VACANCY

Mr. Stanley Knowles (Winnipeg North Centre): My question is for the Prime Minister, Mr. Speaker. In view of the fact that there is now a Manitoba vacancy in the Senate—

An hon. Member: How about you?

Mr. Knowles (Winnipeg North Centre): —would the Prime Minister make it clear that this vacancy will not be filled, so that we may begin the abolition of the Senate by attrition?

Mr. Speaker: Order, please.

[*Later:*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is supplementary to the question asked by the hon. member for Winnipeg North Centre, and I direct it to the Prime Minister. Would he, in considering this matter of filling the Senatorial vacancies for Manitoba, consult with the provincial government, which is obviously a popular government and close to the people of Manitoba?

Some hon. Members: Oh, oh.

HOUSE OF COMMONS

TELEVISING OF HOUSE AND COMMITTEE PROCEEDINGS

Mr. David MacDonald (Egmont): My question is directed to the Prime Minister, Mr. Speaker. Now that the legislature of Ontario has decided to initiate television coverage of its proceedings, would the Prime Minister inform the house of the steps being taken here to give this subject serious consideration, with a view to arranging for proceedings both in this house and in the committees to be televized?

Mr. Speaker: Order. The hon. member is asking a question which he has already asked before. Even if there were anything new, he is asking the Prime Minister for a statement, and a statement of that kind should not be made at this time.

[Mr. Olson.]

Mr. MacDonald (Egmont): With respect, Your Honour, the question I asked on Wednesday related to one particular committee charged with examining the procedures of this house. Today I am asking the Prime Minister whether or not this important matter—and many hon. members feel that it is important—could not be dealt with and discussed in some other way.

Perhaps I might put a specific question to the Prime Minister and ask him whether he would be agreeable to allowing a day's debate at some time soon to ascertain the degree of support in the house for this suggestion.

[*Translation*]

AGRICULTURE

REQUEST FOR DOCUMENT PREPARED FOR DELEGATES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

In a news release handed to the hon. member concerning the congress to be held in March, mention is made of a document prepared specially for that occasion. May I ask the minister whether a copy of that document will be handed to members of the standing committee on agriculture before the congress so that they can look into it?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, I will check into that today. I was of the opinion that the members of the Standing Committee on Agriculture had already received copies of three of the papers that are now ready for distribution.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In view of the importance of these papers not only to members of the committee but to all members of the house, would the minister see that they are distributed to all members?

Mr. Olson: Mr. Speaker, I will look into that.

AIR CANADA

TRANSFER OF EMPLOYEES FROM WINNIPEG

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Labour. I should like to ask him whether he can tell the house when he will be able to carry out his undertaking or commitment to go to Winnipeg and meet with the employees of Air Canada and the C.N.R., which undertaking he will recall giving some time ago.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I have had many invitations from many parts of the country to pay visits. Winnipeg is very high on the priority list, but I will not be able to visit there for at least several weeks.

Mr. Schreyer: A supplementary question to the Minister of Labour. My question had to do with the transfer of employees of Air Canada from Winnipeg and also the transfer of C.N.R. employees to Winnipeg.

Mr. Speaker: Order, please. The hon. member for Churchill.

Mr. Schreyer: May I ask the minister whether he intends—

Mr. Speaker: Order. The hon. member is repeating the question that he asked in the first instance. In view of this the Chair recognizes the hon. member for Churchill.

INDIAN AFFAIRS

FULFILMENT OF TREATY RESPECTING MIGRATORY BIRDS

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Prime Minister. I wonder whether the right hon. gentleman could tell the house if the government is giving any consideration to a renegotiation of the Migratory Birds Convention Act in order that the government can once again fulfil this particular aspect of the Indian treaty rights.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this matter is part of the total question relating to Indians that is being considered by the minister of that department.

REGIONAL DEVELOPMENT

ATLANTIC REGION—REQUEST FOR OUTLINE OF AGREEMENTS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the minister of regional and economic expansion. I should like to ask the minister whether he can tell the house if he is prepared to indicate to all hon. members the present and planned agreements that have and will be made between his department and the various Atlantic provinces in order to clarify some of this—not intended I am sure—confusion which surrounds the situation at the present moment.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I stated clearly enough, I think, that there was only one agreement to be signed with Prince Edward Island, that there was no planned agreement with any other province at this time, and that there would probably be none before the government organization bill is passed.

[*English*]

Mr. Lundrigan: Mr. Speaker, on a point of privilege, I and other hon. members have been asking the minister questions in the past number of weeks and there has been some confusion regarding the provinces of Newfoundland and Prince Edward Island. For example, on February 19—

Mr. Speaker: Order, please. The hon. member should indicate for the benefit of the Chair what his question of privilege is, so that a ruling may be made. The hon. member might also indicate whether he proposes to move a motion as a result of the question of privilege he is now raising. I am prepared to hear it, provided it is a legitimate matter of privilege and the question is stated clearly for the Chair.

Mr. Lundrigan: I have to draw Your Honour's attention to page 5715 of *Hansard* where appear questions posed to the minister about the FRED program that is under negotiation with Newfoundland. The minister answered the question and indicated there was no such agreement. I posed further questions about whether there would be an agreement with the province of Newfoundland, and the follow-up answers indicated that there would be such an agreement within a week. On re-reading *Hansard* the following day no mention was made of a week; this had been changed, perhaps in the process of translation. In addition, on being questioned the following day the minister indicated that he did not intend to refer to Newfoundland, but rather to Prince Edward Island.

Therefore, perhaps the minister could take the opportunity to tell the house exactly what is planned or is being presently negotiated so that the whole matter can be cleared up. I ask Your Honour's indulgence to have the minister inform himself, because he does not seem to be aware of what he is talking about.

Mr. Speaker: I have to rule that there is no question of privilege. The hon. member has asked whether the minister would make a statement. That is a perfectly legitimate question, but it seems to me that the minister has replied to the question.

Inquiries of the Ministry

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, with your leave, I would like to say a few words on the question of privilege.

[*English*]

Mr. Speaker: I think it would be preferable if there were no debate on the question of privilege. Obviously there seems to have been a misunderstanding in this matter. As far as the Chair is concerned the point is perfectly clear, and I have ruled that there is no question of privilege. The hon. member for Athabasca.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order. I have recognized the hon. member for Athabasca; I will return to the hon. member later.

[*Later:*]

Mr. Lundrigan: Mr. Speaker, I should like to ask the minister whether, aside from indicating to the house the state of the protracted agreement with Prince Edward Island, he would indicate tomorrow the present status of negotiations with other Atlantic provinces in regard to future agreements between those provinces and his department.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I have myself clarified this point three times at least for the hon. member for Gander-Twillingate and I think all he has to do is to read *Hansard* to understand what is going on.

[*English*]

Mr. Lundrigan: Mr. Speaker, could I rephrase my question?

Mr. Speaker: Order, please.

STUDENT UNREST

VANDALISM PROMPTED BY OUTSIDE POLITICAL FORCES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question—

Some hon. Members: Hear, hear.

Mr. Yewchuk: I thank hon. members for the kind courtesy shown to me.

Some hon. Members: Explain.

Mr. Yewchuk: By way of explanation, Mr. Speaker, after giving the matter consideration, and in view of what happened last June 25, I decided to revert to the method that has withstood the test of time as a means of increasing the Conservative population of this country.

I should like to pose a question to the Prime Minister which is supplementary to the question asked by the hon. member for Edmonton Centre. In response to a question on February 18 the Prime Minister stated that cabinet committees were looking into the problem of student unrest. I wonder whether the Prime Minister would be willing to state who are the members of these committees and what are their terms of reference.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not believe it is customary to reveal the membership of such cabinet committees, but I do not mind saying what I had in mind on this particular question.

The question is being studied by the Solicitor General, by the Minister of Manpower and Immigration and by the Minister of Justice. We have occasion from time to time to discuss this problem in one guise or another in one or other of our cabinet committees. There is no special cabinet committee set up for the purpose.

Mr. Yewchuk: A supplementary question. In due course will a statement be made on motions concerning the results of these investigations?

Mr. Trudeau: Mr. Speaker, the Solicitor General may consider doing that. The practice is that no report is made while investigations are pending. Once they have been terminated he may consider either taking action or making a statement in the house.

GOVERNMENT ORDERS

NATIONAL LIBRARY ACT

MEASURE RESPECTING ADMINISTRATION, POWERS OF LIBRARIAN, ETC.

Hon. Donald S. Macdonald (for the Secretary of State) moved that Bill C-171, an act respecting the National Library, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

• (2:50 p.m.)

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): Mr. Speaker, from—

Some hon. Members: Hear, hear.

Mr. Stanbury: On a point of privilege, Mr. Speaker, I should point out that the applause, although appreciated, is not for the same reason as that accorded to the hon. member for Athabasca (Mr. Yewchuk) a few minutes ago.

From concept to reality, the gestation period of Canada's National Library was even longer than that of medicare. Plans for a National Library were mentioned by Sir John A. Macdonald as early as 1883, but it was not until 70 years later, on January 1, 1953, that our National Library came into being. Now only 16 years old it is one of the youngest of our national institutions but already one of the most important. At a time when knowledge is multiplying at a dizzying pace, a national repository of fact and thought is assuming growing importance.

We must be certain that the legislative framework for such a vital institution does not restrain its ability to respond to current and future needs. In the 17 years since the National Library Act was first framed, the role and function of libraries have changed greatly and will be evolving rapidly in coming years.

The age of electronics is creating new opportunities for libraries to serve as complete information centres. As the key-stone of our country's library network, the National Library must be able to serve as the nerve centre of a fully integrated and highly automated information system at the disposal of the Canadian people and their institutions. The purpose of this bill is to update the charter of the National Library so it may assist Canadians to cope better with the current explosion of research and publications, which is a world phenomenon. It reflects the changes of the past 17 years in the library world and permits the National Library to assume the dynamic role required of it today. The bill also aims at avoiding costly duplication during this period of explosive library developments, while ensuring the best possible service with the human and material resources available. Automation is coming to libraries. Data banks will have to make bibliographic information available to all libraries through an inter-library communications network. Such developments are necessary, but expensive. We must ensure that they occur with adequate co-ordination so that we will get full value for our investment.

The National Library is now being asked to assist in the planning and co-ordination of collections in research libraries and of electronic information retrieval systems. Two factors make such planning particularly urgent. First, considerable funds are now available to university libraries for the purchase of books, and there is wide recognition of a need for co-ordination of acquisition policies so that unnecessary duplication may be avoided. Second, the advent of electronic techniques for storing, processing and transmitting bibliographic information has had considerable impact on library methods and techniques. It has become imperative to achieve compatibility among the systems to be established by the principal libraries of Canada. The National Library of Canada must be at the very centre of our National Library network; at the same time, it is the logical instrument to co-ordinate Canadian efforts with those in other countries.

Government libraries, no less than others, can profit from co-ordination. They collectively own resources from which the entire country, as well as the government itself, can benefit. Within the government, as outside it, better co-ordination of book collections and the establishment of common services using electronic techniques should be ensured. The National Library should take the lead in developing the network of government libraries, as well as that of other research libraries in Canada.

This bill seeks to enable the National Library to fulfil its role more adequately at both the national and the international levels. Clauses 7, 8 and 9 are the key clauses in this respect. Paragraph (2) of clause 7 states:

> (2) Subject to the direction of the Governor in Council, the National Librarian may co-ordinate the library services of departments, branches and agencies of the Government of Canada including
>
> (a) the acquisition and cataloguing of books;
>
> (b) the supply of professional advice, supervision and personnel; and
>
> (c) the provision of modern information storage and retrieval services including photocopying and microfilming services, electronic and other automated data processing services and facsimile or other communication of information services.

Clause 8 provides that the National Librarian as may enter into agreements with Canadian or foreign libraries in this respect.

In order to assist the National Librarian to carry out such a program more adequately, it was considered advisable to reorganize the National Library Advisory Council so that the National Science Library, the Library of Parliament, the Public Archives, the National Museums of Canada, the Canada Council and the Association of Universities and Colleges of

Canada would have ex officio representation on the council, which will be known as the advisory board. These provisions are found in Clause 9.

It is desirable that new Canadian publications be listed as soon as possible in the national bibliography, *Canadiana*; accordingly the time limit for deposit is being reduced from one month to one week. The present act requires the deposit of a single copy when the retail value of two copies exceeds $25. Enacted 16 years ago, this provision is no longer realistic and under clause 11 publishers would henceforth be required to deliver two copies of their books, unless the retail value of one copy exceeds $50.

Clause 15 repeals Section 52 of the Copyright Act, which calls for the deposit of two copies of a book at the time of its publication. Considering that this deposit in no way adds to the protection afforded a book through registration; that Canadian publications are deposited by virtue of the National Library Act; and that the majority of publications deposited under the Copyright Act are foreign publications which the National Library has no desire to receive systematically nor to keep permanently, it seems advisable to repeal this clause. This proposal is being made with the approval of the various agencies concerned.

I look forward, Mr. Speaker, to hearing hon. members' remarks on this subject. Detailed questions will be dealt with in the standing committee. If at that time there are proposals for amendments, I am sure the minister will be pleased to consider them.

• (3:00 p.m.)

Hon. W. G. Dinsdale (Brandon-Souris): As has already been indicated by the Parliamentary Secretary of the Secretary of State (Mr. Stanbury), Mr. Speaker, the moving of the motion for the second reading of Bill C-171 is an important occasion in the parliament of Canada as well as throughout the nation generally. It was in 1952 that the National Library Act was first approved by parliament. At that time it was thought that something concrete in terms of a building and facilities would be forthcoming in short order but, as already indicated, there was a long period of delay from conception through gestation until the actual library facilities became available.

While we in this parliament have the privilege of debating this important event, I do not think we should forget that many other

[Mr. Stanbury.]

Canadians, inside and outside parliament, have been responsible for the achievement of the last few years in establishing this important cultural and educational facility. In particular I would like to pay tribute to a gentleman who was Dominion Archivist and National Librarian from the time the act was passed in 1952 until his retirement last fall, Dr. Kaye Lamb. He and many others, including the Canadian Library Association and L'Association Canadienne des Bibliothécaires de Langue Française, have been closely associated with this project.

Then, too, Mr. Speaker, far too often when politicians leave this house they are gone and forgotten. I think we should recall that someone whom we all regret has retired, at least temporarily, from the political arena was the person who had the privilege of guiding the development of the new National Library building through its initial stages. I refer to the Hon. Davie Fulton who as minister of public works made the initial announcement that Canada would have a national library built in time for our centennial celebrations in 1967. This was one of the major projects that were designed to help Canada celebrate its centennial. Incidentally, it was one of the projects completed on time. In this respect there are others in the capital city, such as the National Centre for the Performing Arts, that have not yet been completed.

It is interesting to note that the National Library building was completed at a total cost of some $13 million, and it is not a bad building at that. I am sure the Parliamentary Secretary will agree with me in this regard, although I recall that Mr. Richard Jackson, at the time the building was first completed described it as the capital's ugly duckling. We have all sorts of architectural experts in the nation's capital who like to comment on the architectural style and achievement of individual building developments. Perhaps I might be permitted to quote from the article by Mr. Jackson in the Ottawa *Journal* of July 27, 1966, titled "Capital's Ugly Duckling," in which he wrote:

> Well for one thing, the new library "doesn't reflect an architectural awareness of its setting."
>
> Which means its too jammed up against Wellington Street, lacks the attractive framework that proper setting on the escarpment, overlooking the Gatineau, might have given it.
>
> And those windows.
>
> Like peepholes in a prison wall.
>
> He suspects that the library's appearance was conceived to blend with, if not exactly match the two twin, veteran's and trade buildings, across Wellington.

And those, looking like something straight out of East Berlin, have been called all sorts of things. None of them flattering.

I do not know why it is that when we consider establishing cultural institutions in Canada, in particular in the nation's capital, we do not give careful consideration to the architectural style and make certain that it conforms to the high purpose of their cultural intent. But we cannot do much about it now. The buildings are there, and at least they provide the facilities that make it possible for the Parliament of Canada to re-enact the National Library Act and bring it into line with the current and expanding needs of library services in Canada.

One of the reasons for the delay from the point of conception to the point of realization was that Canada, like many other nations, had become obsessed with the achievements of the mass media as opposed to the printed word. There was a great explosion in knowledge and information immediately following world war II. It was in 1948 that the Canadian Library Association in conjunction with its French language counterpart, L'Association Canadienne des Bibliothécaires de Langue Française, first approached the government of Canada with the suggestion that the time was long past when we needed a national library.

Unfortunately those earlier overtures coincided precisely with the time when we became obsessed, enchanted and almost hypnotized with the development of mass media, for that was the time when television was coming into its own. We were in the age of McLuhanism with its new gospel, "the medium is the message", and for a time we tended to forget that society as we know it today was made possible by reason of the availability of man's knowledge in the great libraries round the world. I know that Dr. Marshall McLuhan is at the moment the high priest of information, and I think we are still on the wave of McLuhanism which quite openly preaches that books are obsolete packages and that the real motivating force, from the standpoint of communication, springs from the idiot tube of the instant electronic medium of communication.

• (3:10 p.m.)

Some one has said that this has also resulted in the creation of an instant electronic folklore which is able to generate almost over night, or at least within the space of a few days, myths that become more far-reaching and more embracing in terms of their grip on the minds of the people than the actual facts underlining a social situation. Someone also has said that our neglect of books and our tendency to become overly enamoured and mesmerized by mass media is one of the main reasons we are confronted with rather disconcerting examples of the generation gap today. We find ourselves confronted with a generation that has been educated almost exclusively by watching television with the violence and other selective distortions that are possible with this instant electronic creator of mythology. The result is that we have on our hands today a generation that has been cut off at the roots, as it were, and which has no deep and abiding connection with man's historic past or man's cultural past. We have what one might call a cut flower civilization, a civilization that has cut itself off at the roots and in which there are tendencies toward anarchy and even nihilism.

I wish to say these things briefly at the second reading stage because when the bill is before the committee we will deal with the mechanics of the legislation itself. I should like to emphasize, as I did in my opening remarks, that I believe this is a major development in the Canadian body politic because it means that at long last we are recognizing the importance of the printed word in maintaining the onward march of civilization. I think the pendulum is swinging back, as it must, in the face of some of the incidents which have been all too evident in Canada in recent weeks and months. There is a recognition that if we are to build for the future we must recognize that a creative and responsible future, and the young people who will provide the leadership for that future can only emerge if the young people become saturated—I almost used the word "indoctrinated" but it has a nasty ideological tinge today—with the values, accomplishments and cultural accumulations of the past.

While attending the University of Toronto I remember taking a course on empires and communications from that very eminent scholar, Dr. Edgar Innis. The thesis of that course was simply that the quality of successive civilizations, empires, or whatever you wish to call them, was directly related to the type of communications which prevailed predominantly in any particular period of man's history. I believe there is much truth in a thesis of that kind as reflected in the type of society and type of world in which we are living at the present time.

Actually there is not too much to say with regard to the bill itself. I have before me the brief that was presented to the cabinet, the government and parliament by the Canadian Library Association and l'Association Canadienne des Bibliothécaires de Langue Française. As I compare the brief with the bill we have before us it is evident that a good deal of the inspiration for the revision of the act came from the recommendations of the two main bodies active in the area of library development.

I notice, however, one discrepancy which I believe is of some significance. No doubt there will be some discussion about this at the committee stage when we reach that particular part of our study. The associations recommended that the National Library should be a truly national institution rather than merely another department of government. It seems to me this is in keeping with parliament's attitude toward the C.B.C. and similar activities of that kind because the C.B.C. operates in a sensitive area so far as parliamentary and political control is concerned, particularly with regard to education and dissemination of information.

We maintain the posture that the control of such agencies by parliament and the government should be minimal. We know in respect of the C.B.C that the Secretary of State (Mr. Pelletier) is the minister responsible for reporting to parliament for that body. I think it is for this reason that the library associations have recommended that the National Library of Canada should be set up as a Crown corporation to give it as much independence of action as possible in order to remove it as far as possible from direct and immediate governmental control and also to ensure that the objectives that are of major importance to Canada may be rapidly developed. I believe that this source of information should be a truly national institution embracing all aspects of Canadianism. The government has chosen not to accept the recommendation.

As I go through the bill I find it interesting to note that there are several clauses which specifically emphasize that the government is to have the closest possible administrative control. Let me refer for a moment to clause 4. Under the heading "Administration of Library" it states:

> The Minister shall preside over and has the supervision of the management and direction of the Library.

This is quite different from the solution applied in the reorganization of the national museums. That bill was passed last fall. You will recall, Mr. Speaker, as will other members of the house, that a board of trustees was set up which has the immediate responsibility for administering the affairs of the national museums in Ottawa as well as branches of the national museums in other parts of Canada. I suppose this was done because of the necessity in the cultural, educational and informational field of keeping the control by the government as far away from the agencies as possible. The government has chosen not to follow the same procedure in respect of this bill. We will be very much interested in finding out the reason this course of action has been taken.

• (3:20 p.m.)

I could refer to another clause, clause 7, which has the same sort of emphasis. Under the heading "Powers and Duties of Librarian" subsection 1 states "subject to the direction of the minister", and subsection 2 says "subject to the direction of the Governor in Council, the National Librarian may co-ordinate the library services of departments, branches and agencies", etc. So in every instance we find this strong, controlling influence to be exerted by the minister and by the Governor in council. This is a reversal of the usual formula which has applied to national educational services.

There is one other matter with which I should like to deal at this stage of our discussion. I want to pose a question, and perhaps this is not the time to do so as we will be able to deal with these matters in committee. However, I do want to give notice that members of the official opposition in probing this matter will be inquiring about the status of existing library facilities in the government service as well as in other parts of Canada.

The co-ordinating function is emphasized as one of the major purposes of the legislation. On this point a good many of the recommendations of library associations have been included in the legislation before us. Certainly the advisory board provided for by this measure is much more representative and broader than that provided under the original act of 1952 in that it includes persons such as the Parliamentary Librarian, the Dominion Archivist, the National Science Librarian and persons nominated by the National Museum

and the association of universities and colleges of Canada. It also recognizes the professional status of librarians in Canada at the present time.

I note that the brief submitted to the government recommended that there be direct representation on the advisory board from both the Canadian National Library Associations as well as its French-speaking counterpart. We shall be inquiring as to why this recommendation was not accepted.

It would seem to me that library science is still in the formative stage. We know there is a drastic shortage of qualified professional librarians, and it would seem to me that these professional associations at this stage would have a very important function on the advisory board in advising as to how all the problems of a rapidly expanding service could be handled. In addition to that problem I am wondering about our Library of Parliament. Hon. members are and have been very much concerned about the welfare of our own library during the long interregnum which has been referred to during discussions in the house, while we awaited the advent of The National Library.

The Library of Parliament has served both as the national library and the parliamentary library. As a result of this dual function members of parliament were assured exceptional service in terms of the availability of current publications. Now that the emphasis is moving somewhat from the Parliamentary Library to the National Library I trust there will be sufficient co-ordination maintained in order that both the upper and lower chambers of parliament will have ready and immediate access to the great flood of information constantly pouring forth from printing presses in this and other countries of the world. We do not want to be placed in a position where we have to depend for our sources of information on the mass media. We might become badly brainwashed if we are restricted to the impact from instant electronic communications which are so successful in perpetuating many of the emphases eating at the foundations of our society. We will, of course, pursue this when the legislation is before the committee.

I wonder too about the fate of such an outstanding library as the National Science Library. The advisory board will include the librarian of the National Science Library, but it operates under the National Research Council and we must recognize that the National Library is essentially associated with the humanities and social sciences. I trust that in the gradual development and evolution of the functions of the National Library, programs will be sufficiently flexible to ensure the present high standard of our National Science Library.

I think my time has almost expired, Mr. Speaker, and before you bring me to an abrupt conclusion I shall voluntarily wind up my remarks. I have made these observations because we are moving in a slightly different direction in cultural development. We are giving close control to the government, the minister and the Governor in Council in an area of educational, informational and cultural development. This is a departure different from the government's handling of the C.B.C., the National Museum and other agencies of this kind. We will continue to prod the government in this regard before the committee to make sure there is going to be sufficient flexibility on the advisory board that we may get the best possible service from our National Library as a national institution in every sense of the word and not merely as an arm of government.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I am a little apprehensive in following the hon. member for Brandon-Souris (Mr. Dinsdale) in that I had intended to say that with one qualification, to which I will refer shortly, this is a commendable measure the government is bringing forward. When the hon. member began to argue that the products of linear culture are sweeping in nature and contrary to our purpose, I wondered whether I should withdraw my support immediately and recommend that we burn down the library.

Mr. Dinsdale: Don't burn it down; we just put it up.

Mr. Broadbent: Fortunately some of us who are the products of the book culture as opposed to television culture tend to move in a somewhat non-conservative direction. I hope that a good number of those who use this major public facility will continue to do so.

• (3:30 p.m.)

I think this measure is a good one and is in one sense overdue. Canada as a political society has not been noted for its contribution to intellectual and scholarly activity. Even

though we have begun to move in this direction only in recent years, this is no reason why we should suggest the measure is a bad one. It is a move in the right direction, and I and my party applaud the development of the National Library.

I was particularly pleased to hear the hon. member who introduced the bill say that the library has incorporated all the most modern electronic devices that good university libraries across the country have introduced in recent years. I was also pleased to learn that on its advisory board it has a place for representation of Canada's universities.

I would make two points, one of criticism and one of suggestion. Like the hon. member for Brandon-Souris, I was somewhat surprised to find that under clause 4 the minister is to be given such direct control over the library. I think that potentially this sets an unfortunate precedent. When the bill reaches the committee stage, perhaps some good reasons will be brought forward for this provision. Unless this is done I would prefer to see the administration of the National Library organized somewhat like the administration of the C.B.C. It should be independent of day to day political concerns. Perhaps a good explanation for this move will be presented to the committee. If not, we will have to raise very serious objection to it.

I hope the government intends to devote a lot of cash to this project in the years ahead. As I said earlier, we are not a country noted for the devotion of a high percentage of our resources to intellectual and scholarly activity, to understate the case by about 100 per cent. I would like to see Canada move much more vigorously in this direction in the years ahead so that our National Library will not become just a home for Canadian scholars but will acquire an international reputation in the academic community.

Another point I wish to raise is related to intellectual life but not specifically to this bill. I hope the government will, with regard to the physical sciences, soon show a corresponding interest and demonstrate vigour at the national level.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I would like to say a few words about this bill.

In the first place, a few general considerations. Surely, this is a national and essential service, since through the National Library we have access to the best source of information. The National Library is perhaps one of the most essential services available to legislators as well as to the Canadian public at large.

I have noted like other hon. members that the authority granted to the minister seems at first to be too extensive. Unfortunately, we often deplore the fact that ministerial responsibility is undermined, because some organizations enjoy a large degree of independence. I am referring to the C.B.C.

So I wonder why there should be criticism if the minister has precisely the entire responsibility, particularly in a matter that cannot give rise to controversy, because in my opinion, the service of the National Library is not likely to induce confrontation or disagreement.

The better the means of information of the National Library are, the more citizens will be able to take advantage of it and that much richer our national heritage will be.

In passing, I have a few comments to make on the microfilming of newspapers. I do not know why the microfilm service of the National Library is not better organized and why some dailies are not microfilmed.

In addition, I think the National Library should keep in constant touch and even make exchanges with the Quebec Library so that better information may be obtained.

Mr. Speaker, clause 2(e) reads as follows, and I quote:

> "Published in Canada" means released in Canada for public distribution or sale, otherwise than by Her Majesty in right of a province or by a municipality.

I do not grasp the exact scope of that clause but, as far as I am concerned, it looks as if the National Library did not bother with provincial publications.

I suggest a very close relationship should prevail at that level so that we may be assured to obtain all necessary information from the National Library.

Mr. Speaker, that is what I had to say on this matter.

[*English*]

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Motion agreed to, bill read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

PERMISSION TO SOCIETY TO BECOME FEDERALLY INCORPORATED

Hon. Donald S. Macdonald (for the Minister of Finance) moved that Bill S-28, to amend the Co-operative Credit Associations Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the present Co-operative Credit Associations Act deals principally, as the house may know, with the Canadian Co-operative Credit Society, incorporated by parliament in 1953, and with those provincial central credit societies that become members of this federal society. At the present time, therefore, the provincial centrals for British Columbia, Saskatchewan, Manitoba and Ontario are subject to this act.

• (3:40 p.m.)

This act, which was passed by parliament in 1963, applies to certain parts of the co-operative credit movement in Canada. The movement is organized on three levels. At the first level are the local credit unions organized on a parish, a community, or an employment basis. They accept deposits from and make loans to their members. For the most part, members are individuals falling within the group that the local credit union is organized to serve. In some cases these credit unions may have other co-operative organizations as members as well as individuals. The local credit unions are incorporated pursuant to provincial law and are supervised by provincial authorities.

At the second level are provincial central credit unions. These organizations act as central credit unions for the local credit unions. They accept deposits from their members and make loans to them. Their members are the local credit unions and sometimes other co-operative organizations. The local credit unions rely on their deposits with the centrals as the main part of their liquidity reserve to meet demands for withdrawal of funds. The provincial central credit unions are organized under provincial law and they do not have individuals as members.

Finally, at the third level is the Canadian Co-operative Credit Society. This society is authorized to receive deposits from its members, to borrow or raise money from its members and from chartered banks, and to lend money to its members. It also has certain investment powers. The federal society has for its members a number of provincial central credit unions and also a number of co-operative corporations carrying on business in two or more provinces. However, the act does not have any special application to these latter organizations other than indicating they are eligible for membership.

The original purpose of the federal society was to act as a central credit union for the provincial centrals, and also to some extent for the co-operative organizations doing an interprovincial business. This was to have opened the way for the exchange of funds from the co-operative movement in one region of Canada to that in another. A further purpose was to remove doubts that had been expressed about the constitutional position of the provincial centrals.

The bill before us amends certain provisions of the Co-operative Credit Associations Act. The amendments will have the effect of relaxing some of the restrictions now included in the act and granting some extensions of powers to the societies subject to it.

Over the past several years the credit union movement has asked that amendments be made to the act in order to permit the Canadian Co-operative Credit Society to be able to carry out more fully the purposes originally intended for it and to permit the provincial centrals subject to the act to continue their sound and orderly development, in the light of current conditions. The government is therefore proposing these amendments in order to meet these requests.

The main points dealt with in the bill may be outlined as follows. At present a provincial central may become a member of the Canadian Co-operative Credit Society and subject to the act only if declared eligible by parliament. It is proposed, therefore, to enable this declaration to be effected by the Governor in Council. Also, provision is made to effect amendments to the act of incorporation of the federal society by letters patent.

The federal society may now borrow money only from banks and from its own members. An amendment would broaden the borrowing powers to enable it to raise money from any source. Organizations subject to the act are at present limited to a maximum of ten times the capital, reserve and surplus in the amount of deposits they may accept or money they may borrow. An amendment would raise this limit to 20 times, subject to approval of the minister on specific application.

Co-operative Credit Associations Act

A change would be made in the liquidity reserve requirements. At present, organizations under the act are required to maintain an amount equal to at least 5 per cent of their deposits in the form of cash and a further 15 per cent in the form of cash or government, municipal, or school securities. An amendment would delete municipal and school securities from the classes eligible to meet this reserve requirement since it is thought that municipal and school securities as a class are not always readily saleable and thus do not represent a good source of liquid funds to meet withdrawals of deposits.

Following the introduction of this measure in the other place, it has come to the government's attention that the immediate application of this change would result in undue losses to certain societies. The Goverment believes, therefore, that a transitional period should be allowed for its implementation in cases where undue losses might otherwise occur. It is proposed to suggest an amendment to this effect when this bill comes before the Standing Committee on Finance, Trade and Economic Affairs.

The change in liquidity reserve requirements would also permit provincial centrals to count as part of their liquidity reserve deposits with the federal society. The federal society may not now lend more than 10 per cent of its capital and deposits to any one member. An amendment would permit it to exceed this subject to certain conditions. The amendment would put the federal society on the same basis as the provincial centrals in this regard.

Investment powers would be changed slightly to make it clear that provincial centrals can invest in mortgage loan companies. The co-operative movement in some provinces has formed mortgage loan companies for the purpose of financing housing for its members. This amendment would clarify the power of a credit society to make an investment in such companies.

Certain other amendments are proposed by way of clarifying provisions of the act and transferring certain responsibilities from the Treasury Board to the Minister of Finance.

The Canadian credit union movement, including the caisses populaires, serves more than five million members, or approximately a quarter of our total population. It has accumulated nearly $3.3 billion of savings. As CUNA International, a voice of the credit union movement, put it in a brief to the finance committee of this house in 1967:

> The credit unions and caisses populaires in Canada serve their members as non-profit service organizations, and play a vital and essential role in the economy and growth of Canada as a whole.

This government recognizes the importance of the credit union movement and is therefore presenting these amendments as a way of assisting it in carrying out this key role. The credit union movement is active in many parts of Canada including my own city of Windsor, and as someone who is himself a credit union member I am pleased to urge the house to approve this bill by way of second reading.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it seems that the changes proposed by the parliamentary secretary to the Co-operative Credit Associations Act have two objectives, one of which is flexibility in changing conditions. When I look at what is to be achieved and what is the end objective of the bill, I am brought back to the considerations which I expressed at the time of the changes in the Bank Act, that more and more of these organizations such as credit unions and caisses populaires are actually carrying out banking functions. To me the amendments to this act point up the fact that we are getting a hodgepodge of legislation dealing with banking.

The other day the government house leader indicated that amendments to the Trust Companies Act and Loan Companies Act will be put before the house. There again we have concerns that are carrying on some banking functions. Therefore when we want to consider the whole Canadian banking picture we must refer to the Bank Act and to the Quebec Savings Banks Act, which banks, mind you, will revert back to the Bank Act. We must also look at the Trust Companies Act, and the Loan Companies Act, and now we have the Co-operative Credit Associations Act as well as a number of related acts.

Frankly it is my view that we would have a much sounder and saner banking picture if we described the functions of banking, and if any organization, whether provincial or federal, wishes to engage in one of the functions of banking then it must conform to that general banking act. We would have none of this nonsense of provincial governments saying that because they have incorporated a particular co-operative they control its operations in the field of money and banking.

• (3:50 p.m.)

This, to me, is an indication of the need for a complete revision. We must take a careful look at this picture if we are to have a sound banking system across the country. I remember occasions when we were dealing with associations incorporated under this act—I believe the last was from Saskatchewan—and when unfortunately there were certain complexities concerning the holding of shares. I shall not go into the details, but we had a difficult time. We shall consider the amendments more closely in committee, and I trust they will serve to iron out some of these difficulties.

The first major change indicated by the parliamentary secretary has to do with an amendment to section 4 of the act so as to allow the cabinet by Order in Council to authorize the inclusion in a co-operative credit association of a credit society incorporated under provincial charter. At the present time parliament has to declare itself on such applications. The amendment does not, of course, remove this power from parliament; it gives additional power to the cabinet. The exercise of these new powers is to be founded on Orders in Council and these, of course, will be published. I hope this does not amount to an expression of the mood of the government that more and more authority should be removed from parliament and placed in the hands of the Governor in Council. I see the hon. member for Grenville-Carleton (Mr. Blair) shaking his head as though this were the one thing farthest removed from the mind of the government. Personally, I am not so naïve as to take this all on trust.

We are to see a degree of flexibility introduced so that with the approval of the Minister of Finance (Mr. Benson), which in effect means the approval of the Superintendent of Insurance, the Minister of Consumer and Corporate Affairs (Mr. Basford) may alter a charter by issuing modified letters patent. I believe this is a good step to take. I do not think there is any need for the great majority of these co-operative associations to be asked to come to parliament for incorporation. The machinery within the Department of Consumer and Corporate Affairs should now be sophisticated enough, and its personnel sufficiently large and sophisticated in most cases, to enable these arrangements to be removed from parliament.

I shall reserve my opinion with regard to some of these proposed changes, particularly those relating to the powers and ability of these associations to borrow or raise money. If we refer to the original act—and I intend to make only incidental reference to section 8—we find that in this proposed amendment we are going far beyond the provision "to borrow or raise money from its members or from an association of which it is a member or from chartered banks in Canada...»

I do not think this is the purpose of such an organization as we are considering. This proposal is simply giving more and more people an opportunity to compete for money, whether or not as a result of competition they face from trust companies and the banks at the present time, which on occasion offer what I call deceptively attractive rates of interest that the financial situation of the country does not warrant. Now it is intended to give the caisses populaires and the credit unions the same right, and I shall want to say something on that aspect of the subject during the committee hearings.

There are other proposals which we shall need to consider in detail later but, basically, with the reservations I have mentioned and one or two others, we believe that by and large this bill should receive second reading, bearing in mind that it is to be sent to the Committee on Finance, Trade and Economic Affairs.

Mr. John Burton (Regina East): Mr. Speaker, on behalf of the members of the New Democratic Party I wish to welcome the amendments to the Co-Operative Credit Associations Act which have been placed before us by the Parliamentary Secretary to the Minister of Finance (Mr. Gray). I believe this legislation represents a step forward for the credit union movement in Canada and is an indication of the growing strength of the movement and of the increasing role it is playing in the Canadian economy and in promoting the welfare of the Canadian people.

This legislation was requested by the credit union movement, I understand, and the bill now before us is supported by the interested organizations. I also understand that it has been requested for some seven or eight years, and it is regrettable it should have taken so long to bring this bill before parliament. I trust the legislation now before the house is an indication that the government intends to proceed with the long-delayed introduction of

a federal co-operatives act, as has been announced. Account must be taken, of course, of the experience of previous years when the introduction of such a measure was also announced but was not proceeded with for one reason or another. I hope the fact that we are now proceeding to consider these amendments relating to credit unions and co-operative credit associations is an indication that at long last the government is going to proceed with the other legislation I have mentioned.

The details of the bill before us will, of course, receive further study in committee. I understand that this measure provides for greater flexibility in co-operative credit arrangements, enabling credit societies to join in the operations of the Canadian Co-operative Credit Society. I understand, also, that it extends the operating limits of participating members in ways already indicated by the parliamentary secretary.

I cannot join at this time in the reservation expressed by the hon. member for Edmonton-West (Mr. Lambert) with respect to the powers granted to the Governor in Council affecting new members coming under the scope of this legislation. I feel that adequate safeguards already exist to prevent any step being taken which is not in the public interest.

The credit union movement is playing and will continue to play a valuable and important role in the Canadian economy. In particular, it will continue to be of help to people whose financial circumstances prevent them using other financial institutions as they might otherwise wish to do. The credit union movement has developed and grown as a result of the initiative of people who joined together in voluntary co-operation to form their own organizations and develop them, often in the face of difficult obstacles. The present bill is to the credit of those who pioneered this development and carried it on to the point where the movement has become a sophisticated and mature organization on the Canadian scene. Often the progress that has been made has resulted in the face of grudging acquiescence or indifferent acknowledgement by government.

• (4:00 p.m.)

Many people owe some degree of financial stability and independence to the help given them by the credit union movement. I believe that in the future public policy needs to be geared to a greater extent to the encouragement and fostering of the growth of such

institutions. Further growth of credit unions and related institutions is needed, particularly in face of the unprecedented acceleration and spiralling of interest rates that we are witnessing today.

I note that the credit union movement has also had to increase its interest rates in spite of its desire to hold them down. The increase has been necessitated by the need to compete for savings funds which would otherwise go to other institutions that have considerably raised their rates since they are no longer restricted by law in the matter of interest rates on loans. Credit unions find it very difficult to do their job in view of the nightmare growth in interest rates that has taken place over the past two or three years and the increased cost of borrowing.

Present developments respecting interest rates, the cost of borrowing money and financing illustrate the folly of unrestricted rates. At the same time, for the many little people in Canada the credit union movement represents a small island of hope for survival from the advancing swells of uncontrolled financing costs. In this respect I welcome this legislation and I hope that in future we will see a public policy in Canada geared to a greater extent to helping movements like the credit unions to grow and prosper on the Canadian scene.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I welcome the opportunity to say a few words in support of these amendments to the Co-operative Credit Associations Act. I think it is significant that in this the first session of this parliament we as members should be presented, first of all, with these important amendments to this valuable piece of legislation and, second, that we should have been advised by the President of the Privy Council (Mr. Macdonald) on Thursday last that it is the firm intention of the government to bring forward a major bill providing for the federal incorporation of co-operatives. These measures indicate to me not only that credit unions and co-operatives have come of age and are important but that this parliament and the people of this country recognize their importance.

It is very difficult for me to add anything of a descriptive nature to the address of the hon. member for Windsor West (Mr. Gray), the parliamentary secretary, who spoke on second reading of this bill. The background of the legislation was described by him. I think it is well known by all those interested in the credit union movement that it started in

various provinces of this country with the organization of local credit unions or caisses populaires. As these local units grew in importance they found it desirable and helpful to federate into provincial credit societies or organizations for a similar purpose, called credit union leagues, where their surplus funds were pooled. The aim of these organizations was to ensure that the surplus that might be on hand in one credit union at one time could be made available for lending to another credit union which might be short of funds.

As these organizations grew across the country it became apparent that the experience at the provincial level could be duplicated with profit at the federal level. This resulted in the development of a movement in the early fifties for the incorporation of a federal co-operative credit society. This legislation was passed in 1953, and in that year the first and only credit society incorporated under it, the Canadian Co-operative Credit Society, was formed. This legislation is similar in form to other financial leglislation such as the Trust Companies Act, the Loan Companies Act and similar statutes which provide a general regulatory pattern for financial institutions and also provide that they must be incorporated by a private act.

At this stage in its history I think the Canadian Co-operative Credit Society can be said to have realized some of the purposes of its founders, but not all of them. This is recognized by the members and the directors of the society. To some extent the failure of the society to realize all the hopes of those who had a hand in its organization merely recognizes the democratic and free thinking mood of the credit union movement in Canada. Not every credit union or member of a credit union thinks alike, and as a consequence this society is not supported in its membership by all credit unions in the country.

I think it is also true to say that to a very large extent the reason the Canadian Co-operative Credit Society has not realized at this stage in its history all the hopes of its founders is that it has been inhibited and restricted by the conditions set forth in the Co-operative Credit Associations Act. It is extremely fortunate that this bill is now brought forward because it reproduces, I think faithfully, the request of the Canadian Co-operative Credit Society for responsible amendments that will remove the main restrictions that have inhibited its growth and development.

I do not wish to create a wrong impression when I say that the organization has not realized all the hopes of its founders, because it has made very substantial progress and represents a valuable and responsible financial arm in the total credit union movement in Canada. The assets of this organization, as disclosed by its most recent balance sheet, exceed $577,000.

Of greater significance in measuring the strength of the credit union movement is the combined strength of credit societies in the four provinces which comprise the membership of the Canadian Co-operative Credit Society. These are the British Columbia Central Credit Union, the Ontario Co-operative Credit Society, the Saskatchewan Co-operative Credit Society, and the Co-operative Credit Society of Manitoba. The annual report of the Canadian Co-operative Credit Society presented at its annual meeting on April 8, 1968, indicates the strength of these four important member credit societies and the tremendous growth which they have achieved in the past decade.

• (4:10 p.m.)

In 1956 the combined assets of these four societies were $18,575,000. In 1966 the combined assets of these four societies had risen to $139,590,000. This is an indication of the growing strength and importance of the credit union movement in this country, to which the parliamentary secretary referred in his remarks. A total of more than $3 billion in savings are invested in credit unions. It is a matter of great significance that one of four Canadians is a member of a credit union.

I do not intend to repeat the description given by the parliamentary secretary of the proposed amendments. It would be more to the point to examine them in detail in the standing committee. But in view of the remarks made by the hon. member for Edmonton West (Mr. Lambert) it might be helpful if I were to comment on two specific proposals. The hon. member referred to the fact that it will now be possible to add members to a co-operative credit society by Order in Council. I think the hon. member reserved his decision on whether this was a prudent move. He is probably completely unaware of the fact that this change has been urgently requested by the credit union movement and by the Canadian Co-operative Credit Society.

I will not go into detail as to the legal structure in the Co-operative Credit Associations Act. It is unique in the legislative history of this parliament and represents an attempt by parliament to meet possible problems of jurisdiction in a sensible fashion. This statute provides that any provincial credit society which becomes a member of any federal credit society obtains the benefits of a parallel federal incorporation and is invested with the powers and authorities of a federal credit society as well as the preexisting powers of the provincial society. Membership in a federal credit society carries with it the added status of a federal corporation.

It was the feeling of parliament in 1953 that any organization which became a member of such a society would be named in the private act. This was found to be a very onerous requirement because when a new member wished to join the credit society the private act had to be amended. The proposed change permits new members to be added under the authority of an Order in Council. This is a highly beneficial change which will be welcomed by credit unions.

Reference has also been made to the enlargement of borrowing powers of co-operative credit societies. Formerly they were restricted to borrowing from other credit societies and from chartered banks. These restrictions have now been removed and this will enable the Canadian Co-operative Credit Society to borrow money more generally. Anyone familiar with the co-operative movement in this country will realize the importance of the Canadian Co-operative Credit Society having the power to raise money more generally by bonds and debentures and by the issuance of other securities. This will, I am sure, be supported by the members of co-operative associations.

The parliamentary secretary and the hon. member for Regina East (Mr. Burton) have both spoken about the importance of the credit union movement in this country. This means of extending financial services has been important to people who for one reason or another do not have ready access to the banking system and the more standardized financial institutions. It must be borne in mind that credit unions over the years have filled a gap in the existing financial institutions of this country by bringing financial services close to people who needed them. They have been instrumental in providing instruction and knowledge in economics and in the wise use of credit to their members. They have in the very best and most realistic sense of the term provided for self-help among the people of this country. They have provided a realistic competitive regulator in the financial market. Parliaments should recognize the achievements of the credit union movement and not restrict its legitimate development. It should be the desire of all hon. members to encourage the development of credit unions in this country. This they can do by supporting this legislation.

Last week I attended the annual meeting of a large credit union in my constituency. It was a very happy occasion for people who had borrowed money from that financial institution. The credit union had achieved a substantial saving in the past year. The most important act of the credit union at that meeting was to pass a resolution reducing the interest paid on loans made to members by approximately one-fifth. This is reproduced all over the country time after time.

• (4:20 p.m.)

The actions and activities of credit unions have been greatly beneficial to Canada. The support they have received and the encouragement that has been given to them by central credit societies has been important, and the most important of these central credit societies is the Canadian Co-operative Credit Society created under this statute. I think all of us can be hopeful, if these legislative changes are made, that we will make a great and significant contribution to the further development of that society and of Canadian credit unions.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, briefly I wish to endorse the purpose of this bill. Its passage will allow the expansion of credit unions. In the area where I live these unions are a force for development. They are fulfilling a role not served by other institutions. Their growth has been tremendous, almost fantastic.

I recall that a number of years ago a Saskatchewan Wheat Pool delegate came to a farm meeting in my area to persuade us to start a credit union. He succeeded in interesting a number of individuals who took out a few shares. A few years ago the activities of that credit union passed the $1 million mark. It is an excellent example of people in action doing for themselves the things they want to do and providing good service for themselves.

In many towns credit unions provide the only available banking services. Some years ago many branches of private banks were closed down for the sake of economy. Credit unions have stepped in to fill the gap. They

allow people to have some control over their own finances. They return excess earnings to their shareholders and in effect let their customers have money at cost.

The provisions of this bill will give the credit unions access to more funds. Passage of this bill will help the whole co-operative movement which is of great assistance to the farm community and to many urban sectors. This movement serves as a good balance wheel in our economy. I am pleased that the government has seen fit to introduce this bill and I hope it will have the approval of the house.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, credit unions in small communities are much more effective than many other types of financial houses. I understand one of the purposes of this bill is to provide for the transfer of surplus funds from one area to another, which I favour.

There is a housing factory in my area. The bill sponsored by the hon. member for Grenville-Carleton (Mr. Blair) regarding another financial institution, which was discussed in the house a few days ago, would make money available for loans to larger cities and towns. It would not provide money to smaller areas. That institution would be willing to take money from my area but would not lend it to the people there. Credit unions serve a different purpose. They raise their money locally and lend it locally. In my area they lend money to build houses and thus help to provide employment. For this reason I certainly favour this legislation.

I believe the effect of this bill will be beneficial. I hope the co-op movement will expand to take advantage of these amendments. With regard to transferring capital between areas, if we have a good crop on the prairies we may well have a surplus of money which could be transferred for use in other parts of the country. Alternatively, when there is a surplus of money in Ontario or Quebec it could be transferred on loan to Saskatchewan or British Columbia. For this reason I support the bill.

The Acting Speaker (Mr. Béchard): Order. If the Parliamentary Secretary speaks now he will close the debate.

Mr. Gray: Mr. Speaker, I wish to respond briefly to some of the comments that have been made and to thank hon. members for the thoughts they put forward. I am sure we will have a very useful discussion when we examine these proposed amendments in detail in the finance committee.

I wish to confirm something the hon. member for Grenville-Carleton (Mr. Blair) said when replying to the hon. member for Edmonton West (Mr. Lambert). He said in effect that the concept of having provincial centrals that wished to come under the provisions of the act included by Order in Council was a suggestion of the credit union movement itself. I wish to confirm this by putting on the record the following extract from the proceedings of the Finance, Trade and Economic Affairs Committee of January 17, 1967, page 1316. Mr. Wagar, who was then and I believe still is an executive officer of the Canadian Co-operative Credit Society, said:

> One of the requirements of the present legislation is that in order to add a member, or in order for any other provincial central credit society to become a member of the Canadian Co-operative Credit Society, requires an act of the parliament of Canada and we suggested that there be an amendment that other centrals might become members of the society with approval of the Governor in Council rather than by an act of parliament.

It would appear that those most directly concerned in the general community with the operations of this act feel that the amendment in question is a most desirable one. I conclude by urging the house to support this measure and look forward to a more extensive inquiry with regard to it in the finance committee.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

• (4:30 p.m.)

CUSTOMS ACT

AMENDMENTS RESPECTING SALE AND ABANDONMENT OF GOODS, ETC.—REPORT STAGE

Hon. Jean-Pierre Côté (Minister of National Revenue) moved that Bill S-10, to amend the Customs Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion (for concurrence) agreed to.

The Acting Speaker (Mr. Béchard): When shall the said bill be read the third time? Now?

Some hon. Members: Agreed.

Mr. Côté (Longueuil) moved that the bill be read the third time and passed.

Hazardous Substances

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

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

EXPORT AND IMPORT PERMITS ACT

AMENDMENT RESPECTING APPLICABILITY TO CANADIAN DAIRY COMMISSION ACT—REPORT STAGE

Hon. Jean-Pierre Côté (for the Minister of Trade and Commerce) moved that Bill S-25, to amend the Export and Import Permits Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion (for concurrence) agreed to.

The Acting Speaker (Mr. Béchard): When shall the said bill be read the third time? Now?

Some hon. Members: Agreed.

Mr. Côté (Longueuil) (for Mr. Pepin) moved that the bill be read the third time and passed.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

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

HAZARDOUS SUBSTANCES

PROHIBITION OF ADVERTISING, SALE AND IMPORTATION

Hon. Jean-Pierre Côté (for the Minister of Consumer and Corporate Affairs) moved that Bill S-26, to prohibit the advertising, sale and importation of hazardous products, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Macdonald (Rosedale): Mr. Speaker, my colleague, the Minister of Consumer and Corporate Affairs (Mr. Basford), will be joining us here in just a moment or two. He did not expect this measure to be called so soon, but he is now on his way to the chamber. I believe hon. members generally would agree that we have come to hear the feature attraction, the hon. member for Edmonton Centre (Mr. Paproski), so without further ado I shall sit down.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, one can only welcome this bill to prohibit the marketing of hazardous products and can only wonder why it took the government so long to get around to it. With particular reference to the hazardous ingredients in model plane glue, if this bill had been passed a year ago lives might well have been saved. It is not my intention to review the tragic roster of young children and some adults who have been found dead as a result of uninformed glue-sniffing, in many cases not even aware of the lethal effects. My only hope now is that the government will move with determination and force to keep these dangerous substances out of the hands of children and will not allow the prohibitory effect of the bill to be nullified by permissiveness in the regulations.

The minister and the officers of his department know as well as I do that the toxic substance in model plane glue is deadly dangerous, that young children have been induced by their friends to dabble in dangerous experimentation and that some have died. Therefore I wonder why the minister has placed this substance in a category in Part II of the schedule where the door can be opened to permissiveness under the regulations. If this happens and if definite action is not taken in spite of all the pressure that may be brought—and we know there is pressure—I warn the minister he will not have the confidence of the Canadian people. No one can tell me it is not possible for chemical companies who are always boasting about their research staffs to find a substitute for the toxic product in airplane glue or other model glues. It is up to them. It is not up to us to do their work for them.

I should like to bring to the attention of the house an article which appeared in the Toronto *Star* for January 25, 1969, which says in part:

> The development of new, harmless glues in the U.S. should soon make it possible to ban the toxic varieties altogether. One of these was developed at the request of New York schools and it has turned out to be an effective, all-purpose glue.

It is not up to this house, nor is it up to Canadian parents to encourage or tolerate a dilatory attitude on the part of the authorities. I say to the minister "Get this stuff off the market, and the sooner the better". Let the companies find a substitute that will not endanger the lives and health of children. This should have been done many months ago. It is an extremely urgent situation. That is why it is hard to understand the apparent lethargy with which the government has proceeded with this legislation. There is certainly

no problem about getting it through this chamber. Every member is in favour of it and most people have been clamouring for it. That is why it should have been brought in earlier.

But now that we have it before us I am rather surprised at the inclusion in part II of the schedule, among substances like bleaches and other generally non-fatal substances, of this dangerous and toxic ingredient which has caused a number of deaths in Canada. Why is not airplane glue in part I so it would simply be prevented from coming into Canada? What is the thinking behind this stranger arrangement? I ask the minister that question. The minister is not here; he will have to read it in *Hansard*. He has his experts to advise him, but they are not here either. He should be able to obtain an answer. With that proviso—and I warn the minister it is a serious one because I am not joking about this matter—speaking for the party I represent I say we warmly support the bill. We do express the view, however, that it should have been brought in at a much earlier stage when lives could have been saved, and, second, we insist with all seriousness that there must not, regardless of pressure, be any loophole in the regulations which would permit the continued importation into Canada of this dangerous substance so that it could fall into the hands of young people.

Before this measure passes I should like to hear an assurance from the minister concerning the reason the name of the ingredient found in model plane glue has been placed in part II of the schedule with generally non-toxic substances. Second, I should like the assurance that no loophole will appear in the regulations whereby this substance can find its way into the hands of children. Once these assurances are forthcoming we will all feel better about this bill.

Mr. Barry Mather (Surrey): Mr. Speaker, in rising to speak very briefly in support in general terms of Bill S-26, to prohibit the advertising, sale and importation of hazardous products, I wish, on the one hand, to commend the government for bringing this measure before us and, on the other hand, to join with the previous speaker who regretted that it has taken so long to have this legislation brought forward. There is no doubt in my mind that had this legislation been brought in five or ten years ago many Canadians would have been saved a great deal of trouble. I certainly support the idea that it should be applied in respect of materials such as paints, particularly the prohibition in respect of advertising, selling or importation. Household products which are hazardous may be defined generally as paints, cleansers and sanitizers. I am sure there will be general agreement in the house and the committee as well as in the country generally that what the government is seeking is necessary.

• (4:40 p.m.)

In adding my measure of support to this bill I should like to draw the minister's attention to two bills dealing with hazardous products which appear in my name. I hope that a recommendation in one of my bills will receive detailed consideration when this bill is referred to the committee. I refer to Bill C-118 which has to do with the labelling rather than the advertising of hazardous products. The bill refers specifically to detergents and it was introduced last October. The explanatory note states:

> Many houehold products in the nature of detergents are used every day by housewives and many of them do constitute a danger to health if ingested or inhaled accidentally by children or even if used for the purposes they are intended for.
>
> It is advisable, in the circumstances, that the said products be labelled as hazardous to health.

I believe that the labelling of such products in that way might well be considered as a good move in addition to the purpose of the present bill which has specific reference to importation or advertisement.

The other bill which appears in my name is Bill C-53, a bill to include in food and drug legislation some control in respect of hazardous household products. This bill has reference to probably the most hazardous household product on the market—tobacco. It contains a proposal which would result in some control under the food and drug legislation. This matter might also be considered when Bill S-26 is being dealt with.

I am sure most members will now agree that cigarette smoking constitutes one of the greatest hazards to health in Canada. It is causing the loss of many lives and a great deal of illness. I hope my bills can be considered in conjunction with the bill now before us. I would be satisfied if this could be done rather than having to move an amendment to Bill S-26 introduced by the government.

In general terms I support this bill. When it is being considered by the committee I should like to put before that committee certain details in respect of the use of some products along with further recommendations which I hope will be considered at that time.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, like the two previous speakers, I should like to say how very pleased I am that this bill is being introduced today although, as was mentioned earlier, the government could have introduced it long before now.

Mr. Speaker, I think, that, on the one hand, it would have probably been easier, and even desirable that this bill be introduced a lot sooner but, on the other hand, I think that it was necessary to wait for developments, to protect the life of people by forbidding them to use certain products which can be found in almost every home and which are too often within the reach of children.

A few months ago it might have been difficult for the government to anticipate the danger of these products as it is rather difficult to anticipate that within a few months or a few years, other products might endanger the life of our fellow-citizens.

In my opinion, this bill introduced today fairly well covers all the dangers which can be brought about by certain substances contained in products of daily use.

I should like to ask the minister for some clarification with regard to this bill which, I hope, will deal not only with imported products but also with noxious products which could be manufactured in Canada. Besides, I hope that the bill will deal with products which can be marketed by some Canadian industries and which could be dangerous also for their users.

Mention is made in this bill of certain beans used in the manufacture of toys or ornamental pieces. I believe that we received some from Japan. I do not believe Japanese manufacturers wanted to endanger the life of Canadian people, but I feel it is up to the government to make sure that products used in the manufacturing of apparently harmless articles do not endanger people's life. I therefore believe the bill is justified and that nobody is opposed to it.

Of course, Mr. Speaker, we must also take steps to remove the danger from aircraft glue. But I wonder whether this is not a fad among our young people. We note—although it is not general—a certain getting-out of hand of our youth. As a matter of fact, it would seem as if some young people were seeking things they cannot find in well-organized environments, that is adventure. Well, they have found it in glue sniffing which permits them to get intoxicated, to get high. Buying glue is easier than buying cigarettes, marijuana, opium or other drugs. I believe the government should take steps in order to prohibit the sale of such products or to cope with the situation, as was mentioned a while ago by an hon. member from Edmonton, by inducing manufacturers to change their manufacturing process and make a non-poisonous product.

The same could also be said about plastic bags. They have been known to cause death, and can still do so. It is often suggested that their users should destroy them as soon as possible or perforate them.

Many other household objects can affect health, and even cause death. Consider, for instance, the excessive use of alcohol. Some people lose their health because of it. To my mind, the government has done very little to date to educate the people about the dangers of alcoholism. I would not go so far as to ask the government to past a law forbidding its use, because at times, alcohol can be useful; but when it is used unwisely, it can affect health and even lead to death. Alcohol is also, indirectly, the cause of almost as many accidental deaths on our roads as can be attributed to war.

The same goes for the immoderate use of cigarettes. I do not feel that the government should be asked to forbid their use either: yet, an immoderate use of tobacco can affect one's health.

Still, these things are available to thousands of people who, very often, use them without being aware of the dangers involved.

Mr. Speaker, this bill is timely although it comes a little late for some. To my mind, its implementation will lead not only to restrictions in the imports of dangerous products, but it will also constitute a warning about their use. This measure should be accompanied by a publicity campaign so that the people might know that we do not want to restrict their freedom but that instead we wish to protect them against the dangers involved in the use of certain products.

Mr. Speaker, for those reasons, we strongly support this bill.

• (4:50 p.m.)

[*English*]

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, like the previous speakers on this subject, I am very pleased that the government is bringing in this bill and I would like to speak in favour of it. I would like, first, to make reference to two particular matters which I feel are important. One is a

subject with regard to which I brought in a private member's bill on October 15. Bill C-119 which refers to the labelling of products. The other subject is fire, which I think should also be discussed at this time. I would then like to refer to the bill itself and bring to the attention of the house an aspect which I think should be amended before the bill is passed.

On the question of safety generally, in Canada in 1966 there was a total of 11,400 fatal accidents, of which 2,200 took place in the home. A great number of these fatal accidents were caused by falls which, as we all know, are a major cause of death among the elderly. Of these fatal home accidents, 757 were caused by falls and 561 were the result of fires and explosions. There were a great number of suffocations, 327 in all. These, of course, were almost all children. There were 275 deaths from poisoning, 75 from firearms, 51 from drowning and so on.

I think it is obvious from these figures that fire and poisoning are very definite hazards in the home, and that the government should pay attention to household products. I suggest that the reason for many of these accidents is the tremendous range of household products on the market today. The consumer is faced with a bewildering array of different products from which to choose, and he or she may have no idea of their inflammability or poison content.

I think this is inevitable. As the range of choice increases, the knowledge of the properties of the products decreases correspondingly. For this reason I think it is important for the government to step into this area and assist the consumer in ascertaining what are the hazards of the products which he or she may purchase in the stores. I think that few members in this house disagree that this is a very legitimate concern of the government.

I now turn to the point which I mentioned earlier, namely fire. There are various methods whereby fabrics can be fireproofed. Unfortunately, all these methods involve considerable expense. For example, a normal household product such as a sheet can be fireproofed, but instead of costing, say, $3 as an unfireproofed product it costs $4 when fireproofed. In other words, there is an increase of 25 per cent. In addition, when fireproofed the life of the product is reduced by half. Therefore, instead of spending $3 for a sheet which will last for a certain length of time the consumer must pay the equivalent of $8 for the fireproofed product for the same period of time.

I think it is important to know that fireproofing is not something that simply requires regulation. It involves far more than that. In view of the fact that cotton, wool, silk, rayon and similar products are all to some degree inflammable, I think that the best the government can do is insist that manufacturers properly label their products so that, through a system of standardized labelling, the public will be able to tell at a glance the flammability of the product.

Some products should be excluded from such regulation and be banned outright because, regardless of whether the public knows of their degree of inflammability, they are a danger. In my opinion, government action should be to insist upon the proper labelling of fabrics so that the public is fully aware of the danger of fire therefrom. In this connection I might say that the public is, generally speaking, not particularly interested in fireproofing. The experience of various manufacturers selling fireproofed drapes, fibreglass drapes, is that the public is more concerned about having colourful or attractive drapes than the fireproofed product. Therefore I think the government will have to insist upon fireproof standards for all products. The public cannot be relied on to do so. I suggest that the government should insist upon proper labelling so that the public knows the danger connected with the product it is purchasing. I should now like to turn to the next problem area.

The Acting Speaker (Mr. Béchard): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service—superannuated federal employees—request for increased pensions; the hon. member for Skeena (Mr. Howard)—Indian Affairs—request for statement of functions of Minister without Portfolio; the hon. member for Beauharnois (Mr. Laniel)—Historic Monuments—administration and maintenance of Vimy monument.

Supplementary Estimates

SUPPLEMENTARY ESTIMATES (B), 1968-69

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES— FURTHER CONSIDERATION

Hon. Donald S. Macdonald (President of the Privy Council): On a question of order, Mr. Speaker, I wonder whether I could have the consent of the house to revert to motions in order to put the motion that the President of the Treasury Board (Mr. Drury) referred to earlier today with regard to the supplementary estimates.

The Acting Speaker (Mr. Béchard): Has the minister leave to put this question?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): I move, seconded by the Minister of Consumer and Corporate Affairs (Mr. Basford):

(1) That, in relation to the consideration of a motion or motions to concur in the final Supplementary Estimates (B) presented to the house this day and the passage of any bill to be based thereon, the provisions of Standing Order 58 shall apply, subject to the conditions hereunder stated.

(2) That upon the adoption of this proposed order, the said estimates shall stand referred to the Standing Committee on Miscellaneous Estimates, as follows:

Votes 10b, 15b, 17b, 20b, 25b, 30b, and 45b, relating to the Department of Agriculture.

Vote 65b relating to the Canadian Livestock Feed Board.

Vote 10b relating to the Department of Communications.

Votes 1b and 25b relating to the Department of Consumer and Corporate Affairs.

Votes 50b and L3b relating to the Department of Energy, Mines and Resources.

Vote 75b relating to the Dominion Coal Board.

Votes 1b, 15b and L22b relating to the Department of External Affairs.

Vote 30b relating to the Canadian International Development Agency.

Votes 2b, 30b, 46b and L27b relating to the Department of Finance.

Votes 15b, 18b, 40b, and L32b relating to the Department of Fisheries and Forestry.

Votes 5b, 20b, 30b, 35b, 36b, L35b, and L65b relating to the Department of Indian Affairs and Northern Development.

Votes 38b and L82b relating to the Department of Industry and Trade and Commerce.

Votes 5b, 12b and 20b relating to the Department of Labour.

Votes 5b and 15b relating to the Senate and the House of Commons.

Votes 6b, 10b, 15b, and 25b relating to the Department of Manpower and Immigration.

Votes 20b and 40b relating to the Department of National Health and Welfare.

Vote L83b relating to the Department of National Revenue.

[The Acting Speaker (Mr. Béchard).]

Votes 10b and 15b relating to the Privy Council.

Votes 15b, 20b, 25b, and 30b relating to the Department of Public Works.

Vote 10b relating to the Department of Regional Development.

Votes 1b and 2b relating to the Department of the Secretary of State.

Vote 40b relating to the Canadian Radio-Television Commission.

Votes 1b and L103b relating to the Department of the Solicitor General.

Votes 7b, 8b, 15b, 16b, and L104b relating to the Department of Supply and Services.

Votes 3b, 15b, 20b, 40b, L107b, and L110b relating to the Department of Transport.

Votes 57b, 60b, and 65b relating to the Canadian Transport Commission.

Votes 75b and 77b relating to the National Harbours Board.

Votes 5b, 6b, and 10b relating to the Treasury Board.

Votes 30b and 35b relating to the Department of Veterans Affairs.

Votes L116b, L117b, L118b, and L119b relating to the Central Mortgage and Housing Corporation.

(3) That, unless the committee has reported these estimates back to the house on or before February 28, 1969, it shall be deemed that the committee has so reported on that date.

(4) That there be allotted to the consideration by the house of the said estimates and the consequent bill a total of three sitting days before March 27, 1969, in lieu of the three provided under Standing Order 58(7) for the period between March 26 and June 30, but such days shall not form part of the number of days allotted to the consideration of the business of supply for the period terminating on March 26, 1969.

(5) That on the last of the three allotted days, if the bill be not previously passed by the house, the proceedings in relation to this proposed order shall be interrupted and disposed of in accordance with section 10 of Standing Order 58.

(6) That the hour for private members' business, if any, on any such allotted day be suspended.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this motion, as I have had the opportunity to read it, is in keeping with the new rules that we have adopted and therefore the form of the motion is acceptable to us. I feel, however, that I must register a protest against what is being done in so far as the supplementary estimates covered by this motion are concerned. These supplementary estimates (B) were tabled today, and I find in them 51 $1 items. I submit this is an abuse of supplementary estimates. One dollar items are items of legislation.

• (5:00 p.m.)

If this process goes much farther we could certainly shorten the session. We could have one bill with $1 items in it and the session would be over. As I say, I agree that these estimates should be referred to the committee

and that we should deal with them for the three allotted days back in the house in keeping with what we agreed to, but I register my protest against a much wider use of $1 items than I have ever seen in the house.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Béchard): 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.

NOTICES OF MOTIONS

FINANCE

SUGGESTED CONSIDERATION OF MEASURES TO ELIMINATE INFLATION

Mr. Ian Wahn (St. Paul's) moved:

That, in the opinion of this house, the government should give early consideration to measures for maintaining the purchasing power of Canadian currency by eliminating inflation.

He said: Mr. Speaker, this notice of motion raises the question of the ever-increasing cost of living, the depreciation of our currency, and inflation. The cost of living aspect concerns most Canadian consumers while inflation and the depreciated value of our currency concern the economist, but essentially they are all the same thing.

In a way this is an anniversary for me because on looking back I see I first spoke on this subject in 1963, put a question on the order paper with regard to it in 1964, again spoke on it in 1966, and now in 1969 I find myself raising the question once more. There has been one important difference since I first raised it in 1963. At that time the cost of living was increasing at a rate slightly less than 2 per cent a year; now it is increasing at a rate slightly more than 4 per cent a year. My representations in 1963 and 1966, although I think eloquent, have obviously failed to achieve their purpose.

Since 1949 the cost of living in Canada has gone up slightly more than 50 per cent. That means that $1 today is worth in purchasing power slightly less than 66 cents in 1949. I compare the present time with 1949 because, as all hon. members will remember, that was the year when we first settled down after the second world war. There was a big jump in prices after controls were removed following the termination of the war. In 1949 prices settled down and we began to have what was then termed creeping inflation at the rate of 1 or 2 per cent a year.

As I said, creeping inflation has ceased to creep and has begun to run, and we now have inflation at the rate of about 4 per cent. I realize that, as has been pointed out by many experts, the figures established by the cost of living index do not necessarily take into account improvements in quality. Part of the increased cost of goods is no doubt due in some measure to increases in quality, better and more elaborate packaging, and advertising costs. We get our *quid pro quo* for advertising costs through free radio and television programs and that sort of thing. Nevertheless, after taking due account of all those factors, undoubtedly the value of our money is going down and the cost of living is going up.

The point I would like to make is that inflation is basically a tax. I believe that most economists would agree with this or at any rate would agree that inflation has the same result as a tax. It is a particularly regressive type of tax because it has the same effect as a sales tax on everything that is bought. In other words, now that we are having inflation at the rate of 4 per cent a year, it is the same thing as if the federal government set a universal sales tax at that rate on everything that is bought and on every transaction of purchase and sale in the country. The inflation tax is a tax for which the federal government is basically responsible, and I think every federal government should take the responsibility for this tax. I think it should be recognized as a tax.

Now let us consider who collects the inflation tax. I think that the government collects about a third of the total cost of the inflation tax to the consumer. I say that because it is generally recognized that governments today take about a third of the gross national product. Let us say that one-third of this tax which is levied upon everyone in the country, on every purchase and sale that takes place, goes to governments and presumably is used for useful purposes, so perhaps we cannot complain too much about that one-third.

Where does the other two-thirds of the tax go? It goes to any corporation or any individual who anticipates inflation and decides to raise his prices or services more than the in-

flationary rate. In other words, if a doctor or a businessman anticipates that there is going to be inflation at the rate of 4 per cent and is at all smart, he will sit down at the beginning of the year and say to himself that there is going to be inflation in Canada at the rate of 4 per cent and that in order to stay even and to make the same amount as last year he will have to raise the price on his goods or services by at least 4 per cent; but if he can raise it by 5 per cent he will make a bit more. So it is my guess that while governments get about one-third of the proceeds of this general inflationary sales tax, two-thirds go to those people who are well organized enough, smart enough or quick enough on their economic feet to anticipate inflation and profit by it. It is well established that there are people in any country who profit substantially from inflation and two-thirds of any inflationary sales tax goes to them.

When governments get one-third and two thirds goes to unnamed individuals and corporations which make up our economy, we know who gets the tax. But who pays for it? Obviously some of the people who pay the tax are those who are stupid enough to own government bonds or any bonds; because if you own a $100 bond at the beginning of the year and there is inflation at the rate of 4 per cent, at the end of the year your bond is worth only $96 in terms of purchasing power. So anyone who is stupid enough to own a bond, a mortgage or any instrument evidencing fixed debt is hit by the tax in full measure. Also, anyone who owns insurance policies or anyone who is on a fixed pension gets hit by it. The income of retired civil servants, for instance, has remained the same but at the same time it has been cut down in value every year by the inflationary rate which, as I said, is now at 4 per cent.

I can recall when a pension of $250 a month was considered a very generous and large pension for a retired civil servant who had spent half his life in the service of the federal government. Such a pension might have been adequate ten years ago but certainly is no longer adequate because of inflation. Those are the people who own debt instruments, widows, orphans and pensioners, unorganized wage earners and salaried people. These are the people who pay the general sales tax of which I spoke.

• (5:10 p.m.)

Obviously, therefore, the people who pay the tax are in most cases the ones who are least able to afford to pay it. For this reason it is natural that government should want to protect them in some way. Governments do try to protect these people to some extent. For example, under the Canada Pension Plan it has been agreed that the pension payments should rise as the cost of living rises. However, I believe there is a limit of 2 per cent a year placed on such an increase and, if so, it is not enough because the cost of living is rising by 4 per cent a year.

If we permit inflation to continue there must be ever-increasing government intervention to protect people against the effects of this particular tax. Increasingly massive intervention by the government in the economy will be necessary to give these people the protection they obviously need. Indeed, in the final analysis the whole process is self-defeating. If we begin compensating, through escalation provisions, for the increase in the cost of living, we increase the rate of inflation still further. It is like a dog chasing its own tail. He goes faster and faster but he cannot catch it. If he were to do so he would be very surprised.

In our case, we cannot catch up. Any suggestion that we can compensate all those segments of the population which cannot protect themselves, by writing in escalation provisions, is unsound. This would not provide effective protection. Many times in this house suggestions have been made that the government should, for example, increase the pensions of retired civil servants. This question comes up regularly and the Minister of Finance (Mr. Benson) just as regularly points out that the matter is being constantly considered. I believe these pensions should be increased because in my view we have a special responsibility toward retired civil servants. But if these pensions are increased, what about all those people who retired under private pension plans? They contributed to the economy too. They have no claim upon their employers for larger pensions. If the retired civil servants get a pension increase should not the holders of private pensions be treated in the same way? So one could go on from one group to another, never finding it possible to achieve equity in these circumstances.

Very often one meets people who say that inflation is not nearly as bad as it is made out to be because, though the cost of living has certainly risen, disposable income in the hands of consumers has risen even more. Of course it has, because productivity has been constantly increasing and, obviously, if

productivity goes up and if there is inflation, total disposable income must increase. But the question is: who got this increase? This argument really involves the hardship of averages. Total disposable income has increased faster than inflation because of increased productivity. The averages conceal the fact that many people who are least able to protect themselves have suffered a very large reduction in their effective purchasing power, though others who are better able to protect themselves have received substantial increases. In other words, the rich get richer and the poor get poorer whenever the state permits continuing inflation.

Someone on the other side said all this was the responsibility of the federal government which fortunately, at the present time, happens to be a Liberal government. I agree it is the responsibility of the federal government. There is even a provision in the Criminal Code which deals with the clipping of our coinage; it used to be section 398, and I have referred to it in this chamber on previous occasions. It says:

> Everyone who impairs, diminishes or lightens a current gold or silver coin with intent that it should pass for a current gold or silver coin ... is guilty of an indictable offence and is liable to imprisonment for 14 years.

So this is a serious offence. Yet recently there was a wholesale exchange of our silver currency and nickel was substituted for silver. In other words, our currency was lightened very substantially so far as silver content is concerned, in the course of quite a normal transaction. It thus appears that one can practice coin lightening provided it is done on a large enough scale, when it ceases to be a criminal offence and becomes a legitimate operation of high finance.

To show that this is not just a concern of mine but that it is fairly general, I should like to refer to something which was said by Professor Clark in his report on social security submitted to this house some years ago. He was asked who suffered most from inflation and the rising cost of living, and he replied as follows:

> Inflation is inherently unfair to those economically or politically incapable of defending their interests. This includes some categories of salaried employees and those on pension—both private and government. Recipients of government old age pensions are in a position to exert some political pressure on their own behalf—

As we have seen.

> —but those on private pension usually have little opportunity, and no contractual claim to have their pensions raised to offset inflation since their retirement. Those widows, orphaned children and retired persons who are largely dependent financially on the proceeds of life insurance policies, annuities, interest on government or corporate bonds, or other investments at fixed, or nearly fixed, rates of interest, suffer from inflation with no prospect of relief.

Professor Kenneth Boulding, using somewhat less academic language, puts it this way:

> Inflation is a refined method of taking bread out of the mouths of the aged, the infirm, the widows and orphans.

Some views on this subject have also been expressed in recent years by the Economic Council of Canada and also by Mr. Rasminsky, the respected Governor of the Bank of Canada. At one time there were people who said a little inflation was good for the economy, that if there was not inflation at the rate of 1.5 per cent or 2 per cent a year there would be high unemployment rates, and that to keep the economy prospering a little creeping inflation was necessary. More recently it has been recognized that any degree of inflation is bad for us. Since this is an important point, I should like to quote a statement made by Mr. Graham Towers in January of this year. Mr. Towers was at one time Governor of the Bank of Canada. He was referring to a suggestion that a little creeping inflation was good for the economy.

> In discussing the thesis that we can and should accept inflation as a means of achieving high rates of output, the Governor of the Bank of Canada in his last annual report expressed the opinion that this option is not really open to us. He said, and I quote "It would soon become just as difficult to prevent price rises from exceeding a high target rate as it now is to prevent them from exceeding a low target rate. The same policies of restraint would come to be required. Nothing would be gained in employment or output; the difficult efforts to adjust to inflation would thus have been to no avail and our ability to grow steadily would be continuously threatened by the impairment of our international competitive position."

A little later Mr. Towers said:

• (5:20 p.m.)

> Another evil of accepting a certain degree of inflation as inevitable and tolerable is that it tends to make governments complacent. Why take politically unpopular measures to fight a rise in the general price level if a little inflation is part of the so-called "trade-off" against unemployment? Eventually, of course, steps have to be taken if only because substantially rising living costs are widely unpopular. But by that time the problem is more difficult to solve and all kinds of disruptions and distortions have occurred. Moreover, one can never in this modern world get back to the level of prices and the cost of living that prevailed in earlier years. So I believe that governments should and must set their faces against

any continuing rises in the general level of prices. They may not be 100 per cent successful. But, if they try hard, they should be able to do a pretty fair job and avoid the quite disastrous effects of destroying public confidence in the value of money. If, on the other hand, governments accept continuing inflation as inevitable, even to a limited degree—often defined as 1½ or 2 per cent per annum —they are defeated before they start.

Before concluding perhaps I might also mention the effect of inflation upon what is of concern to all of us, namely, very high interest rates. Let us consider for a moment what happens when there is a 4 per cent rate of inflation. Suppose you go to a corporation which perhaps is in the 50 per cent tax bracket, or to an individual whose top income is in a tax bracket of 50 per cent, to borrow $100. This company or individual knows that if they grant you a loan of $100, at the end of one year, with a 4 per cent rate of inflation, they will get back only $96 worth of purchasing power. Therefore they must charge you 8 per cent interest just to stay even. We must remember that they are paying an income tax of 50 per cent on the interest and they have to cope with a 4 per cent increase in inflation. By charging 8 per cent interest the loss in purchasing power by making the loan to you is just cancelled out. Therefore it is pretty apparent that the combined effect of inflation and income tax rates at that level are bound to make interest costs high. There is really no way to keep them low except by subsidization. The problem we are facing in raising money for housing mortgages and other useful purposes at the present time is largely due to this factor I have mentioned—inflation.

Mr. Speaker: Order, please. I regret I have to inform the hon. member that his time has expired.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I heartily concur in this motion because in its terms it is as good a motion of non-confidence in this government as one could possibly devise. The hon. member says that he has put forward this motion in these terms since about 1963. That could be. But in discussing this subject I find myself in the position of not wanting to repeat my budget speech and other speeches made this year about finance.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): The poor Minister of Labour (Mr. Mackasey) might perhaps suddenly decide there was some truth in what he said about inflation, having been a member of the administration in the past that blithely disregarded inflation and told us that it was nothing very serious. However, the Minister of Finance (Mr. Benson) has belatedly decided to lay the cornerstone of some sort of policy. Having seen the problem he now says he is taking care of it. He said that on television during the course of the winter, I think around New Year, and has gone around preaching restraint on the part of others but not the government.

I agree entirely with what the hon. member for St. Paul's (Mr. Wahn) said about the reaction of the public to the spending policies of the federal government. The minister has been raising spending limits for this coming year to the tune of $900 million. We have had a budgetary deficit that was acknowledged in the estimates at the time to be some $730 million. We have also had some supplementary estimates in the amount of some $151 million, though the figures do not quite jibe in view of what the expenditures are now and what they were said to be at the time of the budget. I would say that the net result is roughly another $100 million expenditure. These supplementary estimates are Supplementary Estimates B. I am waiting to see the final estimates which will include the bill for agricultural price supports and a number of other matters. These will come in around the end of March.

I do not agree with my hon. friend from St. Paul's when he says that inflation is entirely the responsibility of the federal government. The federal government must provide leadership in meeting inflation but inflation, regardless of the way you measure it, results from the increase in wages, the difference between the demand for a return and the increase in the production of goods and services. That is what it comes down to and it is a modern phenomenon.

On the other hand I think the federal government can slough off some responsibility on to some of the provincial administrations. Most of the provincial premiers will declare that they have had a 15-year honeymoon, that they have gone on spending and spending until they have come to the horrible realization at the present time that they have to cut back their spending. This year we will see some agonizing reappraisals of provincial policies, but we will see some much greater agonizing reappraisals on the part of the federal government. One of these reappraisals will concern medicare. If there ever is a penny-wise, pound-foolish program it is medicare

as presently designed. The Minister of Finance has to be credible in his government policies. One has only to note our bond prices to realize that the market does not for a moment believe the government.

The hon. member for St. Paul's gave us quite an academic dissertation on the causes and effects of inflation. Certainly the bond market is hedging against the inflation. Incidentally, in recent weeks we have observed that the cost of living index has changed its base, 1961 now equalling 100. I looked at the returns that came into my office this morning. They were most interesting. Today the cost of living index has risen to 122; under the former 1949 index, which I agree was a little unrealistic, we would be up to 160. If anyone is interested in this, the cost of living for the average individual last month rose by .27 per cent. The index is already almost four points higher than it was in January, 1968.

This sort of thing cannot continue. The government must show leadership by cutting expenditure, not by adding $900 million to budgeted expenditures. The Minister of Finance says it will be only $900 million, but quite frankly I do not believe him. I think it will be more than that. He has made no changes in his post-secondary educational program, nor in the hospital insurance program. He now wants to start on medicare. The first two programs have been blamed for the increase in costs. Lessons have been learned and the appropriate steps should be taken.

I would have thought that the recent speeches made by the Governor of the Bank of Canada were an absolute "back of the hand" from Canada's central banker to his superiors, the government, an indication that their spending policies were entirely unreasonable and unrealistic in view of the problems existing today. The provinces must share some responsibility. The drive or impetus is there whether it is municipal, provincial or federal. Currencies of other countries have been debased as a result of inflation. It makes no difference whether this inflation is slow, creeping or galloping. On the one hand the people are encouraged to be responsible, save their money and invest. On the other hand, the government is asking for permission to nibble away at these savings by establishing the Canada Development Corporation.

• (5:30 p.m.)

As there are many others who wish to speak, I will limit myself to those remarks. I am glad to have had the opportunity to speak on this motion. I commend it to all hon. members on the government side. May it pass.

Mr. E. B. Osler (Winnipeg South Centre): I do not know, Mr. Speaker, whether to be amused or pained by the inference of the hon. member for Edmonton West (Mr. Lambert) that this is a no-confidence motion, which seems to delight the hon. member. This is a perfect illustration of how difficult it is to persuade some members in this house that constructive criticism can come from members on the government side, as well as those on the other side, without in any way suggesting that the government is rocky at the knees or is about to fall.

When I had the honour of being elected to this house to represent the people of Winnipeg South Centre, I was expected to use what intelligence God had given me. I do not know if that intelligence is set aside when one joins another party. I have seen no indication of that in this party. On the contrary, I have had to scramble like the very devil to keep up with the intelligent discussions within this party.

I commend the hon. member for St. Paul's (Mr. Wahn) for raising this subject. I think this discussion is very valuable, and I do not believe the motion is a criticism of government policies. Practically every government in the western world has these problems. No one has put forward a final, doctrinaire answer to be used as a guide line. We have attempted various methods, one of which has been to cut down our expenditures. A demonstration of this method has been the removal of the winter works program which no longer served the purpose it originally set out to do. We were damned for cutting out this program. If we had not done so, we would have been damned for keeping a program which was no longer useful.

There is only one member of the Conservative Party in the house at this time when we are discussing a matter which that party considers to be so important.

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

Mr. Osler: Not right now; do you mind if I complete my remarks?

This government shares all the broad goals which every civilized government in the

world shares, such as full employment, economic growth, price stability, balance in external trade. Unlike the opposition, the government has to reconcile all the diametrically opposed elements within this objective which occur on a day to day basis. This is not easy to do. The government is fully aware of the fact that as long as there is inflation people will get hurt, mainly the older people and the poor. Elderly people who have given service have every right to believe they should be able to live without undue stress and strain in their old age. Nobody wants inflation. On the business side, inflation leads to troubles with which we are all familiar.

It is difficult to obtain money to invest in an enterprise. It is particularly difficult to get mortgage and bond money, which is the type of money required for government and social long term objectives. It has been suggested if people would restrain their wage demands, we would no longer have inflation. It is true higher wages help cause inflationary problems. Management helps cause inflationary problems when it is less than careful with expense accounts, or less than diligent in having the most up to date equipment in factories to cut down production costs. Management not only hurts operational efficiency and the workers' ability to produce, but society as a whole, when through selfish motives production machinery is allowed to become run down.

There are two sides to this question. There are those who want high tariffs for inefficient industries to hide behind. The problem is a broad one which has to be attacked in many ways. As the hon. member for Edmonton West intimated, it is not something for which we can completely blame the worker. A great deal of the inflation is caused by government spending. This government should not be criticized for attempting to rationalize spending and bring it under control. Instead of saying to the provinces you can have 50 per cent of X dollars, the federal government is attempting to define X dollars and the objectives for which those dollars will be used in order to rationalize and control its budget. I have great confidence that the Minister of Finance (Mr. Benson) will be able to bring his budget under control. It will take time because rationalization will have to result from discussions with provincial governments. Provincial governments must use restraint, as must the federal government.

The new department of regional development is a great step toward rational growth in areas where it is desperately needed without fanning the flames of inflation. The Minister of Consumer and Corporate Affairs (Mr. Basford) has proposed the creation of an independent public agency to study, investigate and report on the problems of rising costs and prices. There is no one single solution. I am confident that this government has as good brains as any government ever had. which is all one can hope to find. This government is attempting to solve a situation which has not been solved conclusively by any government anywhere. I would be less than honest if I did not say the government must be like Caesar's wife; it must appear to be irreproachable as well as being irreproachable.

• (5:40 p.m.)

A greater effort must be made by the government to spend less money frivolously on offices, to restrain itself. The government should think twice about expenditures that the public will take as examples of frivolous spending because people will say, "What the hell; if they are doing it, I will do it too."

There are areas in which we can all help the Minister of Finance (Mr. Benson). I would suggest that we, ourselves, think twice about whether we want an office repainted. Nobody has asked, me, as a backbencher, if I want mine repainted. If they did, I would probably try to act like a good Canadian and fight inflation by saying, "Let it be for a while." There are attitudes that members of the government can take that will help the general climate, that will help the Prime Minister (Mr. Trudeau) and the Minister of Finance to achieve their objectives. These objectives, to a great extent can be achieved by themselves, but to an equally great extent they have to be achieved by example.

I would like to close by reading from the economic report of the President of the United States to congress in January, 1969, which included the annual report of the council of economic advisers in the United States with respect to combating inflation:

> It requires clear comprehension by all groups of the overwhelming importance of this goal.

We are doing good things. We should continue to try to do those things and more. We should continue to try to set a good example in our own house so that people will not say, "If the government can spend money like this, then I can do it too."

Mr. Speaker: Order, please. I hope hon. members will not mind if I bring to their

attention the fact that a number of hon. members are anxious to participate in this debate and we are running short of time.

Mr. Max Saltsman (Waterloo): Mr. Speaker, since this is the kind of debate in which so many members wish to participate, I shall restrict myself to fewer remarks than I might have made otherwise. I have found that few worthwhile suggestions about inflation have been made in the debate to this point. Everyone is against inflation. We all realize that inflation creates problems. I am not at all sure that the previous speaker's suggestion that he would not repaint his office would make any significant contribution to the struggle against inflation in the Canadian economy. However, it was a worthy gesture on his part.

We must really ask the question, and it is a question which has not yet been asked, why have we got inflation? In my opinion, the answer is that we have reached a position where those who are strong in the market place laugh at the market place. Adam Smith may be dead a couple of hundred years but it is only today that his theory is being buried. Those able to dominate the market place and fix prices in oligopolistic industries are not subject to the kind of forces discussed in the day of Adam Smith. This is what we have to recognize. When the strong ignore the dictates of the market place, when competition has ceased to be a significant factor in our life, or as significant as it used to be, then the weak are going to suffer.

The answers are not easy; they are not simple. I, for one, face the future with some hesitation because I think the result is inevitable. Unless we bring in some measure of price control, we are not going to solve the problem of inflation. We are now getting the worst of both worlds. We are getting inflation and high unemployment. At one time one would have thought that if we had the kind of unemployment we have at present in Canada, inflation would have been contained. But that obviously is not the case now. Unemployment is not working to offset inflation. Unless we bring in some measure of price control, or at least a prices review board, we cannot stop inflation.

The question of adjustment in pensions was raised. This must be government policy because no matter what measures we may take to contain inflation, inevitably there will be some industries that must have their prices raised. Industries in which productivity cannot increase as quickly as in others will want to raise their prices and competition will have to be made to work in such cases. We shall have to make some very significant changes in our tax system.

I would like to deal for a moment with advertising and selling costs. We have a situation where it is obvious that the economy is under some strain so far as price increases are concerned. But what is happening? Everybody is breaking his neck to try and get people to borrow more money to buy things that are not really necessary. One of the difficulties is that advertising almost nullifies the government's attempts to encourage restraint. It is like trying to hold back the flood waters, and I think the government should have taken a lesson from King Canute.

I was particularly disturbed by the phrase used by the hon. member for St. Paul's (Mr. Wahn) when he said it was stupid to own government bonds. Mr. Speaker, we are having enough trouble selling government bonds without supporters of the government adding to the problems of the Minister of Finance (Mr. Benson). In some ways the government is responsible for the position in respect of bonds because the tax system as it now exists discriminates against the holders of government bonds. On the one hand we say, "Buy our bonds," and then we design a tax system which says, "Bonds are a bad thing for you to buy."

Certain things, like dividends from equity in Canadian corporations, are deductible from taxable income but income from bonds is not deductible. If we are serious about reducing the price of government financing we should neutralize the tax system, and realize that it is usually people of limited means who invest in government bonds. We should make it possible for income from government bonds to be deductible for tax purposes.

A country has only so many resources, whether in manpower or in money. It is very important that we start thinking in terms of planning our economy and the way we can allocate resources, because we must remember that what goes into one sector cannot go into another sector. We have to make some value judgments about what is important in our society and what sort of activities should receive the most resources. We have failed to do this, and it is important that we do it. Otherwise, the war on poverty and our efforts to overcome regional disparities will fall on barren ground. There is much more I would like to say on this subject but since there are

other hon. members who wish to speak I conclude by saying that I appreciate having had the opportunity of saying these few words.

Mr. Alastair Gillespie (Etobicoke): Mr. Speaker, I would like to compliment a number of those who have already spoken on this subject. They have dramatized for all of us the seriousness of this question of inflation, but to state the seriousness of the problem is not to solve it. I was particularly interested in the remarks of the hon. member for Edmonton West (Mr. Lambert) since he was prepared to admit that the federal government alone is not responsible for inflation or for curing it. I think this is something we too often overlook. Too often when there is a problem, we take the attitude "Well, let the government settle it."

The hon. member who spoke after the hon. member for St. Paul's (Mr. Wahn) indicated that restraint was necessary, that we all had a responsibility for restraint. I think the hon. member for Waterloo (Mr. Saltsman) underlined this when he referred to market power. Market power I believe is a significant concept in this discussion of inflation both from the point of view of those who are selling goods and those who are offering their services in the form of organized labour. Those who are in a position, because of their particular situation, to extract an 18 per cent increase in wage rates are in a position to affect unit costs. When this sort of thing occurs with some frequency, such people are in a position to affect the climate of opinion just as those who are selling goods and services and are in a position of market power can abuse their position. What I am attempting to say here is that inflation is very largely a question of attitude. It is very largely affected by one's expectations of the future. I think the federal government has recognized this problem and has underlined it on a number of occasions. I believe the budget presented to this house on October 22 underlined the government's attitude when the minister introduced measures which will balance the budget.

• (5:50 p.m.)

The minister underlined the seriousness of inflation when he met head on this whole question of expectation, the need to show those who are most concerned that we can in fact manage our economy. In this connection, I should like to say a word or two about the effects of inflation. Too often we talk about inflation as if the taxpayers who will suffer are not also lenders. I am suggesting that the beneficiaries of social security programs, such as pensions and life insurance, are also those who are the lenders in the final analysis. Their premiums are the savings which buy the bonds that are the basis of investment in the private companies in Canada. These savings also underwrite and finance government programs. I am saying that the lender is not the large institution, is not the life insurance company, is not the pension fund, but is the person whose premiums flow into the pension fund, or into the life insurance companies and which are invested on his behalf.

I believe that too often we tend to regard inflation as something which affects only a few, the weak. So it does; frequently, they are affected more than anybody else. I am concerned about this because they are least able to defend themselves. Equally, however, inflation affects almost everyone in Canada. Almost everyone in Canada now has an interest in a pension plan. I think the hon. member for St. Paul's (Mr. Wahn), when he referred to inflation as a tax, was accurate. I believe it is a tax. Not only does it tax everyone, but it taxes those least able to defend themselves. But inflation is not something which is generated only within a country; it is generated as well by events outside a country. I believe that in Canada we are particularly sensitive to the actions of the United States in this regard. Over 70 per cent of our trade is with the United States. What happens in the United States affects us quickly. The United States has been concerned with a major inflationary problem and has imposed a 10 per cent surtax on income taxes to cope with this problem.

I should like to add as well that I share the view of the hon. member for St. Paul's with regard to creeping inflation. I think the Economic Council gave more credibility than it should have to that suggestion by calling it a trade-off. I think the trade-off between a certain percentage of inflation, perhaps 1.4 per cent, to obtain the 3 per cent employment rate which the economic council says is a goal is no more than an invitation to the very thing to which the hon. member was referring. I was happy to see that the Governor of the Bank of Canada, Mr. Rasminsky, in a recent speech abroad drew attention to this question. He said:

> Expressions of concern about inflation sometimes draw the reply that we must choose between inflation and unacceptable rates of unemployment. I think we are today seeing more and more evidence that this is an illusion.

I should also like to draw the attention of the house to the fact that government policies are starting to bear fruit in this area. In the issue of the *Globe and Mail* for February 21 under the heading "Problem sector showing gains" there is an article which contains the following information:

During the past four months the rate of unemployment has dropped steadily from 5.1 per cent of the labour force in October to 4.3 per cent in January, after adjustment for seasonal factors. The rise in the consumer price index, on a year-to-year basis, declined during the same period from 4.2 per cent to 3.8 per cent.

Some hon. Members: Hear, hear.

Mr. Gillespie: Mr. Speaker, I say that the government has accepted its responsibility and, further, that its policies are bearing fruit.

Mr. Speaker: The hour set aside for the consideration of private members' business has now expired. I now leave the chair until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

HAZARDOUS SUBSTANCES

PROHIBITION OF ADVERTISING, SALE AND IMPORTATION

The house resumed consideration of the motion (Mr. Basford) for second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill S-26, to prohibit the advertising, sale and importation of hazardous products.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, before the adjournment at six o'clock I was discussing hazardous products, in particular the inflammability of garments. Let me point out briefly that this is not the only problem which this bill is meant to cover. There are a great many other aspects to it, poisoning notably among them. In view of the fact we are perhaps a little short of time I will leave it to other members to discuss these other aspects, and move on to the Bill itself.

The actual wording of Bill S-26 in its present form is not acceptable to me, and it is my hope that at the committee stage and on third reading other members will consider seriously the points I will be bringing forward this evening. I am not a member of the committee and thus I ask for your indulgence in allowing me to mention at this time the specific provisions of this bill to which I take exception.

Clause 8, subclause (3) would require that any amendment made by the Governor In Council to the schedule of this bill must be placed before this house within two years of it being brought forward as an order in council. My personal view is that this would result in this bill being amended every year, for no minister could risk leaving these amendments to the final year. Keeping in mind the amount of legislation the government house leader wishes us to consider this year, would place an intolerable burden on this house and result in a serious uncertainty in the law. For example, as a result of an election or delay in passing legislation we may well be unable to deal with this specific amending legislation, and the various hazardous substances which the Governor In Council had decided should not be placed on the market would once more become available for sale in Canada. This is what I mean by uncertain law.

If you look at subsection 3 of section 8 sir, you will see that the Governor In Council is prohibited from bringing back any of these particular items which had been dropped from the list as a result of not being brought before Parliament. This would mean considerable uncertainty which would, I regret to say, result in hazardous products being placed on the market from time to time with attendant danger to the consumers, particularly children.

The essence of this legislation in my mind should be to allow the minister or the Governor In Council to act with speed. We do not want to have a dangerous toy sold in Canada for a period of time before something can be done about it, nor do we want this toy to come back on the market through too rigid legislation. We want to have something done quickly. A subsection such as subsection (3) of section 8 would nullify the intent of this legislation.

Let me give notice that if this measure goes to the committee and I am unable to have my views adopted there, I will propose an amendment to this house at the third reading

stage. I will suggest that, instead of having a period of only two years during which time such orders in council can be presented to this house, we should have a period of perhaps eight years. This should meet the objections to the original bill of those who put in section 8(3). The bill should certainly not be amended by parliament every two years, but should remain in force for a substantially longer interval, namely eight years. Perhaps eight years is too short a period of time, and it should be longer but eight years is my suggestion.

If this bill is passed in its present form it would introduce an element of uncertainly and risk into the law. This is always unfortunate. If the legislation is examined, it will be seen that section 9 allows for a board of review, which is flexible and allows sufficient or adequate appeal from decisions of the Governor in Council. If we carry on with section 8(3) as it now is we would be introducing a guarantee which in my opinion is quite unnecessary and indeed damaging to the object of the bill. With those remarks, I will resume my seat. While I support the bill, I sincerely hope the committee will take note of my remarks. If it does not and the bill comes back to the house in its present form, I will propose an amendment along the lines I have suggested.

Mr. Deachman: Mr. Speaker, I should like to rise on a point of order in respect of the remarks of the previous speaker who has just indicated that he will move an amendment in respect of the bill. While it was distinctly suggested by the house leader of the Conservative party that members of the government do not move amendments to bills, I wonder whether Your Honour would like to rule on the priority of the hon. member indicating that he would propose an amendment during the committee stage.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, this does not involve a point of order but rather the grave danger in which the hon. member has placed his political career by daring to threaten the distinguished ornaments of the treasury benches who, from time to time when allowed, come into the house to discuss matters with which we are concerned. I will deal with those later.

I am very glad that the hon. member for Vancouver Quadra (Mr. Deachman) has pointed this out because I think he has certainly opened the door to a very careful examination of what has taken place. Generally, however, I accept the remarks made by the hon. member for Edmonton Centre (Mr. Paproski) who, in a brilliant and eloquent speech, placed his position and that of this party on the record in respect of the bill as it is presently constituted. There are, however, two collateral lines which I want to pursue. During the course of the debate I was wondering who would bell the cat for the government. I have now found that the hon. member for Esquimalt-Saanich (Mr. Anderson) will, from now on, be the official cat-beller.

• (8:10 p.m.)

This opens a consideration of clause 8 and the amendment introduced in the other place. I hoped that the minister, rather than seeking some way to circumvent the very sound and statesmanlike decision which came out of the other place, would have accepted it. It must have been a chastening but enlightening experience for him to go into the other place and there be met with the wise and solemn decisions made by men who have served their country for years, the majority of them members of his party.

I have had an opportunity to read the reports of the other place. I have read the report of the Committee on Banking and Commerce, which committee examined the bill. I think eminently sound reasons were given for the amendments which have been introduced.

Mr. Basford: Mr. Speaker, would the hon. member permit a question?

Mr. Baldwin: Yes, I would be delighted to have questions.

Mr. Basford: I hope the hon. member is not implying in his remarks that we cannot expect wise and solemn decisions in this house, too.

Mr. Baldwin: I expect wise and solemn decisions from this side of the house, but in the light of experience during this session I am somewhat doubtful of the decisions which come from the government side. The government, through the medium of the minister and his officials and after what I presume was long and careful consideration, has carefully enumerated specific products which in part I are the subject of outright prohibition within the terms of the bill and in part II are the subject of conditional prohibition.

This is the basis on which I put it. If what the hon. member for Esquimalt-Saanich said is correct, and that is what the minister and his officials had in mind when they first

framed the terms of this legislation, why have a schedule at all? Why did they not simply give to the Governor in Council the right to say that any product which had been examined had been deemed to be hazardous in accordance with the provisions of this act? We have a schedule because the government and its officials, having examined the whole range of products, have said this specific product and that named product are to be brought under the schedule. I accept this. As one who has lived in a household with children for many years, this defect in our law has long been apparent.

I believe that other approaches could have been made to meet the evil that exists, and provisions could have been framed in other ways. There is an evil in this respect. There has been a gap in our law, and I am glad to see that the government is attempting to deal with it. However, it is completely wrong to suggest that, because this is the case, we should give to the Governor in Council the right to add new products, without any limiting conditions.

I have said in this house on many occasions that it is necessary in the age in which we live to give to the government the right to move swiftly, firmly and directly if a product is put on the market, a toy or anything else, that is hazardous. If a government, when operating under this legislation, is of the opinion that a product should not be allowed on the market because of its dangerous characteristics, the government should have the right to move and should not have to wait until parliament meets in order to secure amendments to the legislation.

There should be the right to move swiftly and decisively in this regard. But if the government decided it was essential to secure the consent and approval of the majority of the members of this house and of the other place to say that certain products were hazardous, why should it not have to come here after taking care of the immediate danger to ask that additional products be added to the list?

I can see no danger arising when the government moves by order in council under the provisions of clause 8 of the bill. Then, the product cannot be sold because it falls squarely within the terms of the bill. There is a board of review in this respect. If the manufacturers, producers, or anyone affected wishes to do so, they can ask the minister to establish a board of review and in this way might be able to overcome the impediment which the bill places upon them. But if this is not the case and parliament has not said that product A, B or C is in fact a hazardous product, the government is compelled within the period of two years to come back to parliament to secure the approval of this house and the other place before the views of the government can be sustained.

This is apparent from a reading of the transcript of the proceedings in the other place and the statements made in the committee. I suggest that the attempt by the government to circumvent this very wise and sensible decision by persuading its members to secure amendments to comply with the government line is wrong. I hope there are members on the other side of the house who hear or will read what I have to say and will consult with the hon. member for York East (Mr. Otto) about this.

Some hon. Members: Oh, oh.

Mr. Baldwin: I hope they will not be prepared to go along with the views expressed by the hon. member for Esquimalt-Saanich (Mr. Anderson) which I am sure conform to the views of the minister in this regard.

I suggest, therefore, that members of the standing committee should be vigilant and alert to ensure that the government is not allowed to circumvent the amendment which was proposed in the other place and which now has found its way into this bill. I urge members on the committee to ensure that this is the case. I suggest to them that in the light of the question of privilege which was raised, and which Your Honour held was not a question of privilege but which aroused some controversy, they will show the people of Canada that they will not toe the government line.

I will be happy to rise in my place when this bill comes back here if government members have in fact, as I hope they will, in co-operation with members of the opposition stood squarely against the government and the minister in their attempt to remove this amendment from the bill. I hope they will stand against that attempt and return the bill to this house unimpaired and with this amendment still in it.

I have been trying to be objective in these remarks. I have tried to rise above politics. I will try to rise even further now. This bill is a clear illustration of one of the grave defects in our political and constitutional system. The only way the minister can deal with this problem is to invoke the criminal law, as is the case with so many of the other aspects of

our social structure which come under his jurisdiction, such as restrictive trade practices.

• (8:20 p.m.)

When the government tabled in the house its position paper for the federal-provincial conference with regard to constitutional change, there was one aspect of it which appealed to me very greatly, namely the proposition that the highest courts of the land will not be bound by the principle of *stare dicisis*. In other words, with regard to constitutional law—and this has been a great defect for many years—the highest court in our country is free, if it so chooses, on the facts which are brought before it, to disregard previous judicial decisions of either the Privy Council or the Supreme Court of Canada and to come to different conclusions. I am not suggesting that the Court should legislate to the extent which at times the Supreme Court of the United States does, but I do think there is room for a greater degree of freedom and for far more flexibility. I hope that the provinces will accept this proposal.

In any event, I hope the Prime Minister (Mr. Trudeau), the Minister of Justice (Mr. Turner) and the government will seek ways and means of trying to bring about a change in our judicial practice at the highest level so that the Supreme Court will be entitled to disregard previous decisions. This is an example of a case where the government should not be compelled to try to circumvent the constitution, as judicially interpreted, by invoking the criminal law. The problem should be dealt with by regulation, the breach of which shall be punished by suitable penalties. The government should have the right to regulate and control, a right which does not exist at the present time.

I would like to think that, just as important as some of the other problems to which the Prime Minister has referred and which have been placed on the agenda of federal-provincial conferences, would be issues which affect so many millions of people, as certainly this bill does. Surely, the provinces brought together at the common table to discuss these matters with the federal government would be prepared to say that in many areas of our social, political and cultural life there is a means of giving the federal government the power to act and to regulate. I stand four square for the preservation of provincial authority in many aspects of our life. It is essential to keep those aspects on the basis on which they were established in the constitution on which our confederation was established. But in view of the mobility of people today we should be entitled to expect a uniformity of regulations and legislation in matters of this kind.

So, I say to the minister in all sincerity that I hope he and his colleagues will use their influence with the Prime Minister and with the Minister of Justice to see that matters of this kind are brought to the stage where we no longer have to worry about being able to legislate. When we come to deal with some of the great problems which will affect our society, problems such as water and air pollution, we will face precisely the same difficulty long before we may have accomplished our mission of dealing with such matters as language rights. I am not one to say they are not important, but to me these subjects are equally important and in some ways more important because they affect intimately the personal lives, the comfort and safety of so many millions of people. I hope, therefore, that this aspect of Constitutional problems will be regarded as the number one priority of this government and that, irrespective of other constitutional changes, ways and means will be found to ensure the right of the federal government, possibly in cooperation with provincial governments, to proceed not by invoking the criminal law but by means of regulations.

Mr. Max Saltsman (Waterloo): Before commencing some of my general remarks on the bill, I would like to participate in the discussion of the specific question of the powers that the minister may have by order in council to act without coming to parliament. The hon. member for Peace River (Mr. Baldwin) has pointed out, quite eloquently I think, the need for the minister to have authority on which to act rapidly in cases where substances come onto the market, and their chemical derivations cannot be anticipated because of the rapid changes which are taking place in technology. I believe that the minister needs some discretion to be able to take a product off the market. On the other hand, I recognize the validity of the argument put forward by the hon. member for Peace River that one cannot assign unlimited power to governments by order in council. I would like to suggest to the minister for his consideration, and this is just a thought that occurred to me as the debate was taking place, that there is another approach which we might take to this problem. We might give

to the minister the power he requires but ensure that the decision of the minister comes back to parliament. Instead of giving him unlimited power to legislate, let us give him perhaps six months. If he decides to take a product off the market, then within the six months he would come to parliament and ask parliament to put it on one of the schedules. I hope the minister, and perhaps the hon. member for Peace River, will consider this proposition as an attempt to recognize the difficulty which the minister might encounter by not having the power to remove an item from the market which is not in the schedule now but which may obviously be a hazard to health in his judgment.

I am very pleased to see this bill come before parliament. It represents one more nail in the coffin of Mr. Caveat Emptor. Mr. Buyer-Beware has been buried with very little mourning. The government is accepting its responsibility to take a look at the hazardous substances that come on the market and to protect the public from the sale of them.

I would like to make a number of points on this subject. When the hon. member for Brandon-Souris (Mr. Dinsdale) spoke he raised the question of cigarettes as a hazardous substance. I notice that the bill does not deal with cigarettes, but where it deals with advertising it seems to give a rather broad definition of that term. I wonder whether it could not be made quite evident that it is not only advertising that will be prohibited if the substance is considered dangerous to the public. For example, if one considers cigarette advertising, the manufacturers may be anticipating that some legislation will be passed soon restricting their ability to advertise cigarettes. They are already moving into a whole new range of gimmicks which may not be classified as advertising but which may very well be transferring expenditure in the publicity department from one form of promotion to another. I refer to such things as giving-away large sums of money, cars and so on. I think that the definition of advertising should be made clearer in order to ensure that it covers all types of promotion. In some cases, such promotions may be more damaging than advertising. I am thinking of door to door sampling and things of this type. I think it is fairly important for the minister to make sure that such a possibility does not exist.

• (8:30 p.m.)

There is one omission from this bill. Looking at clause 8, this bill lists what shall not be put on the market. I think that to be completely effective or to be more effective the bill should also include what must be put on the market. I am thinking particularly of containers which may be hazardous in themselves. They may contain hazardous or semi-hazardous substances, yet the container may be more dangerous than its contents—pill boxes of various kinds. I am wondering what provision the minister is considering to take care of this particular problem.

A while ago I raised the question of glue sniffing. I am pleased to see that glues are covered by this bill and that the minister will have power to remove them from sale. No one at this point can be certain what the answer to this problem might be. Eliminating the sale of glue might help in some cases, or legislation in terms of assisting persons who sniff glue by recognizing this as a psychiatric problem. I have a private members' bill to that effect.

The power to help is contained in this bill. I think all those concerned with this problem will breathe somewhat more easily knowing that, upon examination or following research, the government does have the power to take glue or substances similar to glue off the market or ask that they be modified in some way to make them less dangerous.

The overall impression I get of this bill is that while there is a schedule of some specific things such as bleaches, this term encompasses a whole area of production; namely, cleansers, sanitizers or household goods containing chlorine. There is a remarkably wide range of products covered by that definition. The impression one gets is that the minister will possess very great powers to act. Perhaps the big question which arises in my mind at this point is to what extent he will be willing to act and to what extent will he and his department be vigilant in the pursuit of these hazardous substances. It is not enough to have a bill which says certain things can be done. We know the government has all kinds of legislation now under which it could act in other areas and it has been very reluctant to take action; it has not used its power enough, rather than over-used its power, as is the fear of the hon. member for Peace River (Mr. Baldwin).

Let me in closing congratulate the minister on this bill. I think it is a very good step in the right direction. I indicate I will support an amendment reviving the one deleted by the Senate, perhaps putting a time factor into

that kind of amendment so that the power is not completely arbitrary.

Mr. Robert P. Kaplan (Don Valley): I am pleased to rise to support the legislation now before the house. I have spent the day in this chamber listening to the debates. I am impressed by the broad support which the legislation has received from all parties. Of course, this bill has very broad support in the country; it has received the attention which it deserves and requires. It provides machinery which hopefully will be used to protect the interests of consumers in a very broad way. The interests of consumers are catered to by the bill satisfactorily, in my view. There has been discussion, as well, as to the interests of parliament. Will there be a right of review later? The Senate revision remains. There has been an interesting discussion about it. I intend to support in this respect the suggestion made, notwithstanding the views of the house leader of the opposition. I would prefer to see the legislation stand, without the necessity of the house going through the awkward business of reviewing a two-year accumulation of regulations.

I should like to turn to the area of the producer because there has been no discussion today of the interests of the producer, and with respect I should like to make one suggestion for an amendment which I hope may be introduced before the bill is finally enacted, that is, an amendment to section 9. As background, may I say that a very fair right of appeal is provided for any producer who is a victim of, if I may put it that way, an order preventing the goods he has purchased or imported from being sold. Provision for appeal is made and those who have imported goods and find they are the subject of an order in council which prevents them from being sold can, under clause 9, within 60 days, ask that a board of review be constituted to consider the order in council which was passed. Unfortunately, in the normal course of events the products to be considered would be products already in existence. More than likely they would be products someone had already paid for—either the producer or the importer. The producer or the importer would have a legal right to appeal but in fact they may not have a real appeal because of the fact that there is no requirement at all in clause 9 that the appeal be dealt with within any given period.

The board might be set up in the normal course. It might review the evidence in the normal course. However, the Board might take too long in arriving at a decision for an ordinary producer or a small producer to be able to take advantage of the right of appeal. He might find he was bankrupt with an inventory of goods which were considered hazardous and not have the opportunity, because of the fact that an appeal might not be heard in time, to save himself from what might be an injustice. In any event, I would point out that it would be most desirable to include a requirement in clause 9 that the board render a decision on the appeal within a time which would be meaningful to an ordinary producer or importer. In this connection, I suggest that a period of seven days might not be inappropriate.

Seven days is not a great deal of time within which to prepare a case, but one would hope that if an order in council had been passed against a particular product it would be supported by an investigation of the goods in question and that certain experts would be genuinely of the opinion that the goods were hazardous. So the case for the Crown, if I may put it may, would be immediately available.

If the importer or producer wished to have his case heard quickly he ought to be entitled to have it heard quickly by the representatives of the government. With that amendment, I intend to support the bill. I will support it anyway, but I do hope consideration will be given to the possibility of an injustice being suffered because an appeal is not heard in time save a producer from an unfortunate situation.

Mrs. Grace MacInnis (Vancouver-Kingsway): I have been in touch with consumers and housewives and other people across Canada and I am quite sure I have found out exactly what the minister has found: that this bill will be one of the most readily accepted pieces of legislation to have come out of Ottawa for a long time.

Some hon. Members: Hear, hear.

• (8:40 p.m.)

Mrs. MacInnis (Vancouver-Kingsway): But the original draft of this bill received more public approval than is going to be the case if this new clause 3, which the other place insisted on inserting, is passed. I say that in the interests of the consumers of this country.

Having said that, the bill is an improvement over the bill of last year. It is much

broader than the bill that was proposed last year. Instead of hazardous substances, the bill refers to the hazardous products, a broader category. In addition to chemicals, glues, household cleansers, bleaches and polishes, the bill will include articles like matches, flammable textiles, mechanical toys, electrical appliances and dangerous lawnmowers.

Under the original draft of the bill, the minister was empowered to act swiftly and decisively to ban hazardous substances directly they came on to the market and before damage was done. I agree with what my colleague said a little while ago that there is much more chance of the minister's powers being underused than overused. Although the minister and I may differ on a lot of things, I trust the Minister with powers to act quickly in putting substances that really are dangerous on the schedule and safely out of the reach of people, rather than making him come back to parliament every time he wishes to add a substance to the schedule. People are worried about parliament today because they feel parliament moves far too slowly to meet the needs of this day and age. If the minister has to come back to parliament to debate and pass a measure of this kind every time he wants to deal with a fresh hazardous product then, I think the consumers of Canada will have a perfectly legitimate grievance.

When the original bill was drafted, the Consumers Association of Canada wrote to members of parliament indicating that the bill was a good measure and they hoped it would be supported. As I say, the minister was empowered under the original bill to add any substance he thought hazardous to the schedule. I believe the minister is quite capable of using his discretion in this regard. There are many experts to assist him in his department. With all the red tape in government departments there is far more danger of the minister not using this power than overusing it.

A similar situation arose when the drug bill was in committee. Some members worried unduly about the need for the insertion of what were almost impossible safety standards. This was really an expression of lack of confidence in the food and drug directorate. I feel that until such time as the food and drug directorate errs sufficiently to lose our confidence, it merits trust. In the same way, I think that this minister and his department can be trusted sufficiently to test a substance to determine whether it is hazardous. If it is, it can be placed on the schedule and removed from the reach of consumers before it can do any damage and before somebody gets killed.

I should just like to refer to the proceedings in the other place when this bill came up for debate. Dr. Crawford, the Deputy Minister of National Health and Welfare was quoted. He appeared in 1967 before the Senate committee on banking and commerce and was asked how his department had dealt with the emergencies that had resulted from the appearance on the market of necklaces made from the poisonous jequirity beans and the plastic ice balls from Hong Kong which contained contaminated water. In his reply to that question Dr. Crawford stated:

> Well, we had to deal with the provincial departments on this. We telephoned and telegraphed and told them of the hazard which was in their shops and they dealt with it provincially. This is how we had to handle that situation. Of course it was a pretty time consuming process.

Of course it was. If the federal government is going to show leadership in the matter of one standard of safety for necessary products for Canadians from Victoria to St. John's, the department must have some jurisdiction for determining what are hazardous substances so that they may be put on the schedule to this bill.

According to the latest available statistics in regard to accidents in the home, in 1966, 275 deaths occurred from poisoning. I say that is 275 too many. I suggest that if parliament has to give approval every time a substance that is determined to be hazardous is put on the schedule of a bill, then while the bill is waiting to be dealt with along with all of the other bills before the house, accidents involving the use of this substance will occur and prove to be fatal.

I was appalled to learn that the banking and commerce committee of the other place that inserted what I consider to be a piece of dangerous red tape in the first draft of the bill did so by a vote of nine to three, thus taking from the minister the power to determine what are hazardous substances and to place them on the schedule. While there may be some amendments moved in regard to various safeguards, in regard to the appeals machinery and so on, I hope very much before the house is through with this measure the provision to which I refer will be eliminated in one way or another. This will restore to the minister the power he should have through this legislation to protect the consumers of this country against hazardous substances.

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I should like to speak briefly on this bill and to support the minister. May I congratulate him on his creditable performance and the leadership he has given since he assumed his portfolio last summer.

This bill, as hon. members are aware, is very similar to Bill S-22 which was previously introduced in the other place, passed there and placed on our order paper, but which with the prorogation of the 27th parliament died on the order paper. We are making progress in this house, though I am not suggesting that we ought to have more elections or prorogations.

I should like to recall a rather amusing book with the title "Mr. Blandings builds his Dream House". According to the book, the only way to build a perfect house was to build one, tear it down and then build another. In the same way, the reconsideration of this bill makes for refinement. As a result, I feel that Bill S-26 is better legislation than was Bill S-22. At the time Bill S-22 was introduced, there was no active Department of Consumer and Corporate Affairs headed by the present minister. Aside from the subsequent hazard of substance, the other bill also dealt with another matter, the question of the advertising and sale of contraceptive devices. This part of the legislation should be under the jurisdiction of the Department of National Health and Welfare.

• (8:50 p.m.)

We have had a very commendable record in this country in ensuring purity and safety of food and drugs under our Food and Drug Directorate. However, there have been a great many products, and new products are arriving daily on the market, which cannot be classified as either food or drugs but at the same time are very important in the every day life of the consumer. In this respect, the legislation currently being introduced by the minister, covers matters that are important to the Department of Consumer and Corporate Affairs. In the eyes of the consumer, we have been far behind our neighbours to the south and other countries of the world in providing legislation for the protection of the consumer.

I would like to refer, Mr. Speaker, to one particular section of this bill, namely the one covering poisons. Of 11,000 fatal accidents recorded for the year 1966, a little over 2,000 occurred in the home. I will not go into the details. As an hon. member previously mentioned, 275 of these resulted from poisoning.

[Mrs. MacInnis (Vancouver-Kingsway).]

With 20 million people in our country, 275 is not a large number, but this bill will be important if even only one life is saved. There were actually over 400 accidental poisonings in the year 1966, 30 per cent of which occurred outside the home.

I would refer to the statistical evidence on poisoning accidents, every one of which could be a fatal accident. This evidence indicates 70 per cent of these accidents involved children under the age of five years. The very high incidence of drug and non-drug poisoning involving very young children points out the urgent necessity for control in this area. It is impossible to prevent every poisoning, but what is required is more awareness by parents and the general public; better labelling, improved packaging and other safety measures in order to reduce accidents to both adults and children and the potential serious injury or loss of life.

Schedule 1 of the bill is very specific. Schedule 2 is rather general in character covering many household cleaners, bleaches and solvents presently used in the home. There are many other hazardous substances in addition to the ones specified. We cannot, of course, know in advance what products will arrive on the market in the future or to what extent they will be hazardous. The Minister of Consumer and Corporate Affairs (Mr. Basford) or his colleague the Minister of National Health and Welfare (Mr. Munro) must be in a position to act by order in council to add or delete possible classes in schedule 1 and provide reasonable controls for the type of product included in schedule 2, subject of course to the other provisions of the legislation. I am very pleased to support this bill, Mr. Speaker, which is an important step forward in protection of the Canadian people.

The Acting Speaker (Mr. Béchard): Order, please. I must inform the house if the hon. minister speaks now, he will close the debate.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): My first words, Mr. Speaker, must be of apology to the house for being absent when this bill was called for second reading this afternoon. Apparently, because of the new rules passed before Christmas, business is being dealt with very expeditiously in this house. I apologize for not being present.

I had the advantage of listening this afternoon and part of this evening to the debate, a debate which indicates that there is support

for this measure in all corners of the house. It is gratifying to note that this important piece of consumer protection legislation is receiving the support of all parties.

In this legislation we, as parliamentarians and legislators, have recognized our obligation to protect the public against products that are a hazard to health or safety. Products that can predictably injure, maim, sicken or kill must be controlled or banned. The magnitude of this problem in Canada is impressive.

There is, of course, no easy explanation for accidents. Carelessness, faulty equipment, misuse of something through ignorance and human frailty play a large part in causing these mishaps. But a startling number of them can be traced to common everyday household products. The attractive, innocent looking bottle of cleanser or furniture polish which a mother sets down momentarily to answer a phone, becomes a lethal poison for her three year old child. Faulty wiring in a poorly made electrical appliance electrocutes an innocent visitor to a home. A young girl is permanently disfigured by a highly flammable sweater or hair band because of inadvertent exposure to a flaming match or lighter. A couple waterproofing their basement with an unlabelled chemical are burned to death because of its unrecognized explosive characteristics. Children are badly burned by explosive cracker balls which look exactly like cereal or candy but which explode when chewed.

Hon. members in the course of this debate have mentioned other examples of hazardous products. The ones I mention are purely examples of cases on file in my own department, the Department of National Health and Welfare, safety councils across the country, poison control centres and emergency wards in the hospitals of Canada.

I could go on describing the grisly details of injury and death caused by hazardous products, products which looked perfectly innocent to the user and which contained no warning of their potential hazard to health or safety, but I think I have made my point. The question now arises how can we prevent this unnecessary death toll and suffering? Because this is new legislation in Canada, Mr. Speaker, for the sake of the record I would like to outline very briefly what a few other countries have done with regard to the problem of hazardous products.

• (9:00 p.m.)

In Britain, a committee on consumer protection was appointed in 1959. As a result of this committee's recommendations the Consumer Protection Act was passed in 1961 giving the Home Secretary, after due consultation—and I might say to the hon. member for Peace River (Mr. Baldwin)—very wide powers to make regulations as to composition or contents, design, construction, finish or packing for any, and I repeat for any, class of goods, and requiring that they be marked or accompanied by appropriate warnings or instructions. The effect of this act in the United Kingdom was to authorize the compulsory imposition of standards and the provision of information about the goods by means of labelling in the interests of consumer safety.

Regulations made under the British statute, or kept in force by it, so far have concerned fireguards, portable oil heaters, children's cribs, mandatory flame resistant materials for children's clothing, and the safety of toys. Regulations now under preparation and consideration in Britain relate to the toxicity of pencils and crayons, and the colour coding of flexible cords attached to domestic electric appliances. The consumer council in Britain is looking at a number of other appliances to which regulations should apply.

The question of consumer safety has also been the focus of attention in the United States in recent years. Public concern regarding the flammability of clothing, which was a concern mentioned this afternoon by many hon. members, particularly the hon. member for Esquimalt-Saanich (Mr. Anderson), was roused in the United States in the early 1950's following cases of serious burn injuries to wearers of highly flammable sweaters and cowboy play suits of brushed rayon which had appeared on the market at that time. As a result of these incidents and accidents the Flammable Fabrics Act was passed in 1953 and amended in 1967.

Another major piece of legislation in the United States in the field of consumer safety was the Federal Hazardous Substances Labelling Act of 1960, which introduced for the first time mandatory cautionary labelling of packaged, dangerous household substances such as detergents, waxes, bleaches and paint thinners. But this was a labelling measure only, and furthermore it was confined to hazardous substances that were packaged.

In 1966 the American Congress, recognizing the weakness of that act, amended it and

renamed it the Federal Hazardous Substances Act. The amendment extended the requirements of the original legislation to cover all hazardous substances, regardless of whether or not they were packaged. It authorized the banning of household substances so hazardous that cautionary labelling was insufficient protection. It extended cautionary labelling requirements to include further warnings and data specifically related to children.

Perhaps, the potentially most significant measure taken in the United States recently in the field of consumer safety was the establishment in 1967 of a National Commission on Product Safety. This body is undertaking a comprehensive study and investigation to determine what type of household products could be consideed hazardous, the extent to which self-regulation by industry in the United States affords protection against potential hazards, the protection afforded at common law, and the extent and effectiveness of protection currently afforded by federal, state and local laws.

A list of some 200 household products is now being investigated by this national commission which has invited comments on the safety aspect of these products from all interested parties. When the legislation before this house is passed, as I hope it will be, I expect that the information flowing from this commission in the United States will not only be extremely useful to them but extremely useful to us in Canada in working out regulations under our Hazardous Products Act.

I mention what has happened in other countries, in Britain and the United States, to show that what we are doing in Canada today, and what we are asking parliament to approve, is nothing terribly revolutionary, nothing terribly radical, but is being asked in recognition of the need for parliament to protect the Canadian public against hazardous products, a need that the United Kingdom and the United States recognized some years ago.

We face in our country the same problems as the United States, Britain and other advanced countries where the proliferation and sophistication of consumer products have been accompanied by a corresponding increase of hidden hazards against which the consumer cannot defend himself unaided. We face the same high accident toll and the same complacent assumption by the public that what it buys is safe. Many hon. members who spoke this afternoon recognized this, and in fact some said that this legislation was five or ten years late. I would agree with them, and for the sake of those who have been killed, maimed or injured in the interval, I would have hoped that we could have had this legislation passed some time previously.

However, Mr. Speaker, I am proud to be introducing this legislation this evening. I point out that apart from the specific drug legislation which I introduced some time ago, this is really the first major piece of consumer legislation that this new department of mine has introduced. I think the fact of its being introduced and the fact that hon. members have recognized the need for it shows the wisdom of establishing a department of government on consumer affairs to devote itself to the attention, protection, interests and the welfare of Canadian consumers.

The hon. member for Kitchener (Mr. Hymmen), and a number of other hon. members, gave statistics during the course of the debate relating to accidental poisoning. The hon. member for Kitchener mentioned that in 1966 there were some 35,596 cases of accidental poisoning in Canada. It can be assumed, Mr. Speaker, that many more thousands of poisonings occurred but were not reported. As the hon. member pointed out, the striking factor about these accidental poisonings is that over 70 per cent of them involved children under five years of age. Products involved in the non-drug poisonings ranged from cleaning and polishing agents to fuel and lubricants.

To anyone involved in the field of consumer protection, of safety and of poison centres, it is clear that the major problem lies in keeping children and potentially dangerous substances such as A.S.A. tablets, bleaches or corrosive agents away from each other, except in cases of need and under supervision. Their improper use, mainly ingestion by children, can result in very serious tragedy.

Bill S-26 is designed to provide the authority to deal with substances of a poisonous, toxic, inflammable, explosive or corrosive nature which are hazards to the health or safety of the public. My department also hopes to be able to promote safety standards for consumer goods in co-operation with existing standards setting bodies and the proposed Standards Council of Canada. Such standards could be embodied in the regulations associated with this legislation to provide a basis for prohibiting or controlling hazardous substances and products.

Some examples of the kind of products that could be covered under this legislation have been mentioned this afternoon, and they include dangerously flammable clothing, defective matches, dangerous children's toys, power lawnmowers, household electrical appliances or any other type of consumer product that might be dangerous to health or safety if it has design or construction defects.

Hazardous products will be listed in the schedule, and as has been pointed out the schedule to the act is divided into two major parts. Part I lists hazardous products which cannot be advertised, sold, or imported into Canada; in other words products which are intended to be absolutely prohibited, forbidden for sale, importation or advertising. Part II lists products which may be advertised, sold or imported only when they comply with certain specified regulations prescribed by the act.

• (9:10 p.m.)

Many members have mentioned the kind of products which might be listed in part II and some types of regulations we might have. It was suggested that we might have warning labels in appropriate cases or, as the hon. member for Waterloo (Mr. Saltsman) mentioned, that we might have safety packaging in some cases. The hon. member for Edmonton Centre (Mr. Paproski) mentioned glue and the extent to which we would be able to regulate it under a provision of this kind in this piece of legislation. As has been mentioned in this debate, there are examples of products which are to be banned absolutely and outright. The jequirity bean grown in the Caribbean area and used to make necklaces and eyes for dolls has recently received notoriety and widespread publicity. One of these beans if chewed or swallowed contains enough poison to cause death in a few hours. Children's furniture or toys coated with paint containing lead compound beyond a certain allowable tolerance will be banned, as will extremely flammable paints or paint and varnish removers for household use.

As time and experience dictate, other products which are deemed to be dangerous to the health and safety of consumers may be prohibited. In general, products will be banned where it is found that the hazard involved in their use is so great that the public health and safety can be adequately protected only by removing the product from the market place.

The products which are placed in part II of the schedule are those that may be dangerous to the health or safety of the consumer if used in a manner not intended by the manufacturer. Examples of such products are household bleaches and cleaners. These products are often hazardous to children whose natural curiosity leads them into danger. Regulations will be required by the act compelling manufacturers to label these products with appropriate warning or cautionary statements. Instructions will also be required on the package prescribing the antidote to be taken or other necessary information in case of accidents.

Another example of products requiring regulatory legislation are those containing toxic chemical additives such as toluene and acetone. Hon. members are well aware of the problem of glue sniffing among young people. The hon. member for Waterloo mentioned that this is a social and psychological problem. I am the first to agree and concede that all the regulations in the world will not solve a social and psychological problem, but the information we have is that some regulation can help. During a recent inquest at the city of Ottawa a local police official reported coming in direct contact with 88 sniffing cases in the city during the year. Regulation will be proposed to prohibit the sale of these toxic substances unless they contain explicit cautionary labels which warn that the vapours in these products can cause serious bodily harm or death. We are also looking for other possibilities in respect of the regulation and sale of these products to minors. Before Christmas I sent an official of my department to the state of New York and the city of Washington to examine the kind of regulations they have in those two jurisdictions.

I repeat that the addition of a hazardous product to the schedule in the act will prohibit its advertisement, sale or importation into Canada if it is listed in part I, or will allow it to be advertised, sold or imported into Canada only if it complies with the regulations if it is listed in part II.

In order to protect legitimate and responsible manufacturers or distributors, this legislation provides for the establishment of a Hazardous Products Board of Review. This Board, consisting of not more than three persons, will be called upon to review the decision to add a product to part I or part II of the schedule if a manufacturer, distributor or person having the product in his possession files a request within 60 days in which

case the Board will be established to examine into the wisdom of the order, the properties of the product banned and so on.

The hon. member for Don Valley (Mr. Kaplan) made some remarks about clause 9 and the provision for the Board of Review. I cannot agree with his suggestion that the hearing should be held in seven days. I think that would create considerable difficulties, particularly for the manufacturer and distributor. I do, however, share his concern that the Board of Review be held forthwith upon application. I am advised by the law officers of the Crown that that is really what is provided by the bill; that is, that when it provides that a Board of Review shall be established there is a duty incumbent upon the minister or Governor in Council to act expeditiously if he should feel the applicant is entitled to apply for mandamus and have a board set up. But that is a matter which the committee can study in detail when it is looking at the bill.

The Board of Review will have the necessary powers under the Inquiries Act to inquire into the nature and characteristics of the product or substance which has been considered a hazardous product if a request for review is made. The bill as originally submitted in the other place did not make it mandatory—and this has been commented on at some length in this house—that the minister concerned, in this case myself, upon receipt of a request establish a Hazardous Products Board of Review. It was suggested, and I concurred with the members of the other place, that the bill should be amended to provide for the establishment of a Hazardous Products Board of Review as requested. The bill you have before you contains that amendment. I believe that provision for a mandatory Board of Review, and right to a hearing before a Board of Review by anyone who feels affected by the action of the minister or the government under this act, provides for full protection of the interests of anyone affected.

As has been mentioned, a further amendment was made in the other place to provide for a second review by parliament itself of actions taken under the proposed act to add products to part I or part II of the attached schedules. In the course of this debate, hon. members have commented both pro and con in respect of the action of the gentlemen in the other place. I will have more to say about this when the bill reaches the committee. I could not entirely agree with the hon. member for Peace River (Mr. Baldwin) who said that I must accept explicitly the amendment made by the gentlemen of the other place. I am not sure, in saying that, whether the hon. member for Peace River was hoping for a call to the other place or not but as one can see from the debate this afternoon and evening, there is a good deal of difference of opinion in this house in respect of the action of the other place.

I would hope the amendment made by the other place to this bill will receive very careful consideration by the members of the Health and Welfare Committee when they are considering the bill. I will have something to say more than I have here. I do feel the amendment adds a degree of rigidity to the bill. I think the members of the committee would be well advised to endeavour to work out some arrangement other than that proposed by the other place. Some other arrangements have been proposed by hon. members in the course of this debate. I would hope some of those alternatives would be examined by members of the committee.

Surely, in considering that amendment and in considering this legislation, as the hon. members for Esquimalt-Saanich (Mr. Anderson), Waterloo and Vancouver-Kingsway (Mrs. MacInnis) pointed out, the paramount consideration here first and foremost is to design an effective piece of consumer protection legislation. That is the kind of legislation I introduced, and that is the kind of legislation I would hope parliament would pass, adopt and have as the end result.

• (9:20 p.m.)

The necessity for governments to protect the consuming public from injury, sickness and death attributable to careless or faulty manufacturing or design or inadequate information in product merchandising has never been more apparent than at the present time. The large number of products available today makes it almost impossible for ordinary customers to be always aware of the risks that may arise from the purchase of seemingly innocent household products.

Recently, publicity concerning poisonous jequirity beans, solvent sniffing and dangerous toys, illustrates the urgent need for legislation of this kind. It is once again the duty of parliament to protect the interests of those who no longer have the power to protect themselves. This legislation will ensure

the customer his right to expect that the product he buys will not maim or disfigure because of a defect in construction or design.

At the very least, consumers must be warned of the precautions they must take for their safety after buying a product which is potentially hazardous if misused or left within reach of children. The government can, as parliament can and must, ensure that these rights for the consumer are protected. This is clearly an obligation we cannot escape. I hope that this motion will pass and that the bill will go to the committee on Health, Welfare and Social Affairs, where it will be considered as expeditiously as possible.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

FINANCE

PROPOSED AMENDMENTS RESPECTING INTERNATIONAL MONETARY FUND AND EXCHANGE FUND ACCOUNT—REPORT STAGE

Hon. H. A. Olson (for the Minister of Finance) moved that Bill C-138, to amend the Bretton Woods Agreement Act and the Currency, Mint and Exchange Fund Act, as reported (with amendment) from the Standing Committee on Trade, Finance and Economic Affairs on Wednesday February 12, 1969, be concurred in.

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

Some hon. Members: Agreed.

Motion (for concurrence) agreed to.

Mr. Speaker: When shall the bill be read a third time?

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order purely for the purpose of clarification. I think it would be helpful if Your Honour would give the house your interpretation. Your Honour will note that the report included two minor amendments which were accepted by the committee. Under normal circumstances, it would have been deemed that the amendments to the clause would open a debate. This would be deemed to be the purpose of the amendment, and if there was to be an amendment at the report stage there could be a debate on the clauses. While it is true no formal notice has been given by any individual members or a member on behalf of the goverment in respect of these amendments as they were made in the committee, is it deemed that, having been made in the committee, they are brought in forthwith without debate and the motion is put and, if the motion is adopted, the bill stands as amended by the house?

If this is the case we could then proceed immediately to third reading. As Your Honour knows, if there are amendments at the report stage, there is a debate and the report is finally adopted and, there having been an amendment and a debate, we cannot proceed to third reading until the next sitting of the house. I should like to have this point clearly established. When a bill is reported by a committee with amendment, does this preclude the third reading of the bill on the same day without the leave of the house?

Mr. Speaker: I thank the hon. member for raising this point which has perhaps been left unanswered and uncertain because of circumstances which have occurred when we reached this stage of the proceedings on other occasions.

My understanding of standing order 75 (14) is that if the report from the committee does not include an amendment, at the report stage there can be third reading without debate on the same day. The standing order reads:

> (14) When a bill has been reported from a standing or special committee and no amendment has been proposed thereto at the report stage, and in the case of a bill reported from a committee of the whole, with or without amendment, a motion, "That the bill be now read a third time and passed", may be made in the same sitting.

The hon. member has referred to an amendment which was not proposed at the report stage, but was proposed and adopted at the committee stage. It is only when there is an amendment adopted at the report stage that there cannot be two stages on the same day. When an amendment has been made by the committee and there is no further amendment, then under the standing order there can be a debate on third reading the same day.

I am not sure this is completely clear but I hope the hon. member for Edmonton West (Mr. Lambert), who is I believe in agreement with my interpretation of the standing order, is satisfied with the way I have attempted to interpret the situation for the guidance of hon. members.

Mr. Knowles (Winnipeg North Centre): Perhaps I may say a few words, Mr. Speaker. In

doing so, may I first say I am in agreement with the interpretation you have given the hon. member for Edmonton West (Mr. Lambert). However, there is one point in respect of something which Your Honour said I should like clarified.

May I say to the hon. member for Edmonton West that I think his point is covered by Standing Order 75(2) which says:

All amendments made in any committee shall be reported to the house. Every bill reported from any committee whether amended or not, shall be received by the house on report thereof.

In other words, I submit the implication is that the way the bill comes to us from the committee is the way we have to deal with the bill. But there is one other point, and this is my reason for rising, in respect of which I should like some clarification. Your Honour said if there was no debate at the report stage, there having been no amendment put down, third reading could be proceeded with that day as provided by standing order 75(14).

There is one qualification to this, and that is provided it does not override Standing Order 72 which says there cannot be two readings on the same day. In other words, if second reading takes place earlier in the day and then the report stage, third reading cannot take place that day except by leave.

Mr. Speaker: I am in agreement with the hon. member for Winnipeg North Centre (Mr. Knowles) in the same way I was in agreement with the hon. member for Edmonton West (Mr. Lambert). Obviously, standing order 72 always prevails. If there has been a previous reading on the same day, there cannot be a subsequent reading.

What we have before us is the report stage, not a reading stage. This is why we can have the adoption of the report stage and third reading the same day. Having said this, I will put the motion for third reading to the house.

• (9:30 p.m.)

Mr. Olson (for the Minister of Finance) moved that the bill be read the third time and passed.

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

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, perhaps I may say something on the basis of a point of order. It is my understanding that there is no right of reply on third reading, under our rules as presently constituted, without the unanimous consent of the house. It is my understanding that several hon. members on both sides of the house wish to express themselves at this stage of the debate, and I wonder whether I would be permitted to, in effect, inform the house that it is my intention to reserve my remarks until other hon. members have been heard. Therefore, I will not only be presenting my own views on third reading, but I will be in a position to reply to hon. members' comments.

Mr. Lambert (Edmonton West): On the point of order, Mr. Speaker, I think that is quite right. The parliamentary secretary has not moved third reading and therefore, it is quite in order for him to speak. This difficulty arises only when the minister in charge of a bill proposes third reading and then, not saying anything, is deemed to have spoken.

Mr. Stanfield: He has spoken.

Mr. Lambert (Edmonton West): He has spoken, and will therefore have to seek the leave of the house to speak later.

Mr. Speaker: Order, please. I want to make it clear to the parliamentary secretary was rising on a point of order. The Chair would not deem that he has participated in this stage of the debate, and he can speak at a later time without seeking the unanimous agreement of the house.

Mr. Lambert (Edmonton West): Mr. Speaker, my remarks will be reasonably brief. Hon. members of the committee and of the house may wish to read the proceedings of the Committee on Finance, Trade and Economic Affairs, starting with volume No. 22 and moving through to volume No. 25 inclusive. They will find that the hearings of the committee on this bill were of considerable assistance to the members of the committee, as they will be to any hon. member who wishes to read them, on the subject of international monetary agreements.

We do not have to go through the whole panoply of methods or forms of financial resources that are at hand for participants in the International Monetary Fund, but having heard in detail what existed and what is proposed we can better understand the implications of the bill. We had in the committee the very competent assistance of officers of the Department of Finance and the Bank of Canada. In addition we were able to elicit testimony from economic advisers of

two of our chartered banks. These people did not make representations on behalf of the banks but on their own behalf.

We heard arguments against the theory of fixed exchanges. Dr. Marsh of Montreal, in fact, said he wanted to get away from the idea of a fixed exchange rate entirely and believed, rather, in the idea of a fixed form of reserves under which each country would have to defend its rate on the basis of its performance. I think all committee members who followed the hearings in detail have a much clearer picture of how settlements between countries are now effected, what are the causes of disequilibrium, and what in many instances has caused some of the crises we have experienced in the last three years.

Notwithstanding all the explanations that have been given, the fact that the special drawing rights scheme has been set up and, hopefully, enough countries that participate will ratify this agreement so it will come into effect, we still have the nagging suspicion that all is not well because there have been recurring crises.

Let me say right away that the crises have been more intense each time. One might wonder where the shoe will pinch next, and who is going to start another crisis. One wonders where another crisis will happen and whether one of the European currencies will become embroiled in some form of raid. Or, we ask, is it perhaps the turn of the United States dollar again, or the Canadian dollar?

I suppose one would have to look at the background of each country to see whether certain conditions prevail which would make a crisis rather more possible; in other words, is it providing fertile ground? Here I think we can look to balance of payments problems, cofintrol of inflation and interest rates. In this regard, Canada is not entirely out of the woods. Therefore by the adoption of this change in the bill we, in Canada, cannot say we are completely safe and are sheltered from any further assaults in the international monetary field.

One of the interesting features that came about as a result of this examination was the form of international policing that can be carried out by the World Bank through the International Monetary Fund on, shall we say, the second layer or the second slice; first of all, the gold slice in the reserves. The country in question can draw on those unconditionally and has no problems. But when the country wishing to borrow from the International Monetary Fund starts to draw on its national currency reserves, the fund directorate can impose conditions. That is where I feel there is a better hope in a scheme of this kind than there would be in a scheme of a free and unfettered exchange. You might say, let the country carry out whatever policies it wants, and it has to defend its position. Its currency may be driven down, and let it take the consequences. I have a suspicion that there is here too much danger that we will go back to the pre world war II financial jungle conditions with regard to international monetary exchanges.

At least one of the witnesses who was in favour of liberalizing the fixed exchange system conceded that there was this power of policing the economic policies and performance of a country that was finding itself in trouble. The special drawing rights which are the subject matter of the amendments to the Bretton Woods Agreements Act do not come directly under the policing, if one may call it that, of the International Monetary Fund, in that the drawing rights once established may be drawn upon by the country in question and used unconditionally. The special drawing rights are not designed to do away with situations arising out of crisis. They are, in fact, a line of credit established to provide working capital for greater world trade. In other words, the volume of world trade is such that the gold slice in the national currency reserves held by the International Monetary Fund and the countries' international or foreign exchange reserves held on their own account, were insufficient to deal with the volume of world trade. Therefore, these special drawing rights which are established by quota are available to a participating country and can be used for trade purposes, not for crises purposes.

• (9:40 p.m.)

However, I feel that there can be a form of indirect policing of the economic policies and performance of any individual country in the establishment of quotas because various indices which are laid down in the Bretton Woods Agreement with regard to the special drawing rights are used to determine the quota. When the officers of the International Monetary Fund allocate the quota of special drawing rights to a country, I say this is a form of judging, estimating, assessing and in fact policing of the economic performance of the country. Having said that, I want to say that we certainly have not completed the refinement of those things that countries can

use with regard to their international settlements. Obviously, there is nothing that will replace confidence in one another's currency. Confidence in another country's currency is based upon its economic performance. What is its balance of trade? Is this a steady deficit? Is there a run away inflation? What about interest rates? What is the form of performance of the government?

There are a number of other factors which lead to a degree of confidence which other countries will have in your currency. As long as that confidence exists, there is less danger of negative movements with regard to one's own currency. There are other things that have to be done. I do not know just in what direction but, as I indicated at the beginning of my remarks, one is left with a nagging feeling that we are far from having settled the final form, and there may be further events. After all, 1969 has just started. In 1968 we saw two world monetary crises; the next one may be a lot worse. I am hoping that if there is to be one it will not be as bad. Frankly I do not think any good comes out of them anyway. The corrective measures that have to be taken to deal with crises, either the imposition of temporary surtaxes or temporary taxes which have their origin in economic nationalism, merely add to friction among countries. You can have as much economic friction with deleterious results as you can have military or political friction. I do not want to point the finger at any particular country or countries, but if we go back to 1968 we realize there was just as much international friction as a result of economic thinking and actions of France first of all vis-a-vis the dollar, then vis-a-vis the pound sterling and the German mark, as actions of the French government in other spheres. The action the British government has had to take to shore up its own economy only led to difficulties.

We have seen our exports to Great Britain cut back and we had to take action in order to replace them. It seems to me that economic nationalism is entirely negative. Therefore, what we want to do first of all is to remove one of the root causes of these various aspects of economic nationalism, that is to have as steady a system of foreign exchange settlements as may be envisaged under the Bretton Woods Agreement. It is not the final answer but I hope it will provide us with some improvement. It could be that perhaps a little more flexibility, as was indicated by some other hon. members, perhaps instead of a plus or minus 1 per cent above the fixed exchange rate 2 or 3 per cent would allow movement and would make those working on interest arbitrage much more cautious of entering the market and therefore upsetting it. This may be a partial answer. Perhaps averaging once a year on what was claimed to be a crawling peg or a movable peg, may be another satisfactory answer. However, having examined these things I believe that the alternatives have been put before us much more clearly by the committee and it has been for the benefit of the house. Therefore, I for one support the third reading.

Mr. Max Saltsman (Waterloo): The hon. member for Edmonton West (Mr. Lambert) spoke of some nagging feelings about this measure when he indicated support for the bill. I, too will indicate my support for the bill on behalf of my party, but I support it with very strong reservations. I say this for a number of reasons. I do not feel that the examination of the bill in the committee was very helpful. I say this not because the chairman and the members of the committee did not do their best. I think they worked very hard. We had witnesses from the Bank of Canada and a number of people from the chartered banks of Canada. However, I suggest that this study was not sufficient to examine the implications of a policy as important as the one with which we are dealing. My feelings were that the committee was being appealed to on the basis of "let us be good international citizens". This is something all of us understand, appreciate and wish to be. The committee did not have the expertise to challenge the witnesses who appeared before us. We had to accept their word that this is a good measure for Canada. But there is much doubt whether an international banking bureaucracy is not developing and whether they have more in common with each other than they have with their own countries.

• (9:50 p.m.)

This may not be the case. I am prepared to accept the fact that our people are committed to international stability; that they are committed to the organization; that Canada believes in its role in world affairs, but until we can get a clear impression or a clear confrontation with the negotiators, that doubt

remains. One is also disturbed by the fact that the one country in the world which has a veto is the United States, and one wonders to what extent the international monetary fund really reflects world opinion and to what extent it is more an instrument of American policy. We support it because we have been assured that it is a good measure for Canada and for the world, but for the record we indicate our reservations.

Canada is a very special kind of country and to say we have to behave the same as every other country in the world is to fail to observe the special conditions of this nation. It seems to me that the present arrangement with the international monetary fund whereby we are on a fixed exchange rate is not the best arrangement for Canada.

I do not think it can even be demonstrated that Canada being tied in this particular way is necessarily a good thing for the rest of the world, either. I think we should clearly look at our position with a view to continuing our examination of this question of fixed versus floating exchange rates. We are a very open country, a major trading nation, and this creates special problems with a fixed exchange rate. The greatest difficulty it has created is that on many occasions our domestic policy has been hamstrung because of the nature of the combination of fixed reserves and a fixed exchange rate. Until 1962, Canada was on a floating rate. It had worked very well until then and were it not for the economic panic of the government of that day it probably would have continued to work. The government of that day was pursuing disastrous policies with the exchange rate. On one hand, they were trying to support it and on the other hand they were trying to knock it down. Then they were trying to stabilize it. They did not know what they were doing. While the government was pursuing one set of fiscal policies, monetary policies were working in another direction.

They permitted our exchanges to get into such bad shape that they thought the only way out was to accept the conditions laid down by the international monetary fund in order to save the rate at that time. The conditions, imposed on Canada were severe. I do not think it was necessary for us to accept those conditions. The government had alternative methods. They could have brought in exchange controls; they could have used more intelligence in co-ordinating fiscal and monetary policies. They have left us a heritage of a fixed exchange rate which does not operate, in my opinion, in the best interests of this country.

The argument is made that fixed exchange rates permits stability or gives some indication of the relative values of currencies of the various countries. No statement could be farther from the truth. We know that a lot of countries in the world find ways around the restriction of a fixed exchange rate. They have various forms of taxation which they can use to subsidize their exports. They have ways to discourage imports, and the purpose of the fixed exchange rate, which is to provide stability, is frustrated in this way.

One has to wonder whether we would not be further ahead to have a full and thorough discussion and examination of the full benefits of one type of rate as against another. In this country all kinds of suggestions are being made at the moment but parliament has really not examined this question thoroughly. The effect of accepting the Bretton Woods Agreement is this: the condition is there, and it is a take it or leave it agreement; there is nothing which can be modified in any way, it has to be either accepted or rejected. This means that any improvements which some of us might think of making to amend the bill are out of the question.

The amendment would have one effect. It virtually doubles the price of gold and by creating special drawing rights under various conditions, each country gets, in effect, increased liquidity. The advantage of doing it in this way rather than doubling the price of gold is that presumably it does not have the same evil effects on those countries which do not hold their reserves in gold or which have dollars in reserve rather than gold as has been the case in Canada.

With these reservations, I hope the government will indicate its intention to place this measure before the Committee on Finance, Trade and Economic Affairs for full examination, to call expert witnesses and to give the committee far more staff than it now has so that the committee itself can have some assurance that the witnesses appearing before it are receiving the proper examination, and that the answers given are not open to challenge.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the motion?

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, February 4, as reported at page 5113 of *Hansard*, I asked the President of the Treasury Board (Mr. Drury) whether certain sums of money in the estimates for the ensuing fiscal year which he had tabled that day, moneys which were to be placed in certain superannuation accounts, would be used to increase the pensions of civil servants already retired.

In his reply, the President of the Treasury Board said this was not the case but that these sums were for the purpose of covering certain actuarial deficiencies. He ended his answer with these precise words:

> I regret to say that as yet no decision has been taken to make additional funds available to superannuates.

I asked a supplementary question, but got nowhere with it. Then a week later, on February 11, as reported on page 5372, I asked another question on this subject and got the answer that has been given us hundreds of times, namely that the matter was still under consideration. In fact, on February 11 we were told it was under serious consideration.

A few days later, on February 17, one of my questions on the order paper was answered and the answer is to be found on pages 5572 and 5573. It gave some interesting statistics. Among other things, the figures told us the number of retired civil servants and the number of widows of civil servants who have been dying in recent years. If hon. members will look at these tables they will discover that the rate seems to be established at a little over 1,500 retired civil servants and a little over 500 widows of civil servants who are dying each year. This means that in the year and nine months since May 8, 1967, when a unanimous report was tabled calling for action to raise the pensions of retired civil servants forthwith, a total of 2,625 retired civil servants have died and a total of 875 widows of civil servants have died. That makes a grand total of 3,500. This figure does not include pensioners of the armed forces, the Royal Canadian Mounted Police and so on.

[The Acting Speaker (Mr. Béchard).]

• (10:00 p.m.)

A little earlier this evening, the Minister of Consumer and Corporate Affairs (Mr. Basford) admitted his personal regret that a bill he was speaking to at that moment had not been brought in five years ago. He said that it was too bad people had been hurt during the past five years in accidents, or had lost their lives, as a result of the absence of the kind of legislation being discussed in the house this evening.

I submit that if the government is sincere in that position and really does regret that the absence of that kind of legislation has resulted in people losing their lives, then the government ought to be concerned about the fact that, while it is stalling on this question of increasing the pensions of retired civil servants, every month another 125 retired civil servants die without getting the increases that were promised them. Similarly every month another 40 widows die without getting the promised increases. Surely, this is not something of which the government can be proud.

The government continues to say that it is giving the matter serious consideration, to tell the house time and time again, as no doubt the parliamentary secretary will tell the house tonight, that there is concern about this matter in all quarters of the house. I will no doubt be told that the member for Winnipeg North Centre is not the only one concerned; there is concern everywhere. While this concern is being spread around, these people are dying without having had the advantage of the increase in their pensions that was recommended by the joint parliamentary committee nearly two years ago and which the government has said through all these months that it has been considering.

There is not time in the late show period—indeed I do not need to do so because I have done it so often—to make the arguments as to the rights that these people have and as to the obligation of the government to maintain the standard of living it promised these people. I again plead the force of the argument that a joint committee representing all parties in both houses has unanimously recommended on May 8, 1967, that action be taken forthwith. How much longer, Mr. Speaker, are we going to have to wait before that action is taken?

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am here this evening to respond to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), on behalf of and at the request of the President of the Treasury Board (Mr. Drury).

I must say I personally regret that there is nothing I can add to the response of the President of the Treasury Board when he answered the hon. member's question on February 11. However, perhaps I can repeat what I have said on other occasions when I have attempted to answer similar questions, namely that concern over the question of increased pensions for retired civil servants has been expressed by members on all sides of the house. The government has been giving consideration, and continues to do so, to this question of retired public servants. I can assure the hon. member that the matter continues to be, to paraphrase the words he quoted, under both serious and active consideration by the government at the present time.

INDIAN AFFAIRS—REQUEST FOR STATEMENT OF FUNCTIONS OF MINISTER WITHOUT PORTFOLIO

Mr. Frank Howard (Skeena): Mr. Speaker, on the 19th of the month I posed a question to the Prime Minister that I think I should re-read now. As recorded at page 5710 of *Hansard* I asked this question:

> Mr. Speaker, in the absence of both ministers involved with Indian affairs and northern development I should like to ask the Prime Minister whether he can enunciate clearly at an early date what the responsibilities and duties are of the hon. member for Port Arthur (Mr. Andras) in respect of his association with the Department of Indian Affairs and Northern Development, because there is a great deal of doubt about this in the minds of the native Indian people. They should like to know what his functions are.

The Prime Minister (Mr. Trudeau) was in the house that day. He did not stir from his slumped position or even acknowledge that he had heard the question. I have no personal complaint about that, Mr. Speaker, but other people do have an interest in it. The question was posed to the right hon. gentleman because a number of native Indian people had asked me about the responsibilities of the hon. member for Port Arthur (Mr. Andras) and I was unable to answer. I acted partially as a representative of native Indian people who were concerned about this, and I got no response.

The hon. member for Port Arthur, wherever he spoke last fall left the impression with the Indian native people that he was concerned about the plight of these people. On many occasions he condemned the past failings of governments in their dealings with Indian people. He indicated that he had an insight into the problems of our native Indian people. As I said, he left a good impression.

When the announcement was made in this house regarding the reorganization of the Department of Indian Affairs and Northern Development the member for Port Arthur, the Minister without Portfolio, complained bitterly and publicly that he had not been consulted about that reorganization; that he had no knowledge of it and that he had doubts about its values as far as the Indian people were concerned. That was the first time we got any indication that perhaps the hon. member for Port Arthur did not really hold a responsible, authoritative position in the government.

The Prime Minister stated, when asked, that the hon. member for Port Arthur did not have any responsibility in so far as this department was concerned. It was this, plus other comments and the fact that the hon. member's involvement in northern affairs has declined in recent times, that has led many Indian people to wonder just what is happening. The Indian people wonder whether one of the ministers is a propagandist while the other who has the responsibility for doing something about the affairs of the Indian people so far has done relatively little.

As I have stated I do not mind that the Prime Minister chose not to give a reply to my question. This is one of the chances we take in this house. I do not feel slighted by it. If it is the Prime Minister's desire to ignore any member, he can do it. He has done it on a number of occasions.

• (10:10 p.m.)

But I submit that the Prime Minister of all people has no right to ignore, as he did, and in effect by ignoring thus insult the very people whom government has ignored for many years, our native Indian people. As I said earlier, the Prime Minister did not bestir himself, but if he had made some comment or recognition of the fact that it was necessary to outline the responsibilities of the hon. member for Port Arthur, when the question was asked on February 19, then the Parliamentary Secretary or whoever it is who is going to reply this evening would not have

had to be here. We would have, in effect, had an answer from the horse's mouth.

I am looking forward to the reply that will be given in the hope that it will contain some clear announcement about the responsibilities of the hon. member for Port Arthur in order that our native people will know where they stand in dealing with him in the future.

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is gratifying to hear the hon. member for Skeena (Mr. Howard) speak so well of at least one minister of the Crown. I am sure the government will appreciate this very much. If my memory serves me correctly the Prime Minister (Mr. Trudeau) dealt with a question similar to this in the House of Commons. I have not had a chance to refer to the particular question on the day mentioned by the hon. member, but I was in the house when the Prime Minister answered a question similar to it. At that time he stated that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) is the minister responsible for discharging the activities of that department. The Prime Minister stated as well that the minister is being assisted in one special aspect of his duties by the Minister without Portfolio (Mr. Andras) from Port Arthur. The Prime Minister made it clear that the line of responsibility runs through the Minister without Portfolio (Mr. Andras) to the minister with portfolio.

I think it is common knowledge to us all how active have been these two ministers in past months in meeting with the native peoples of Canada so as to learn at first hand the problems and the desires of our oldest citizens. There is considerable evidence of the feeling of good will that has been engendered by these activities, a feeling which I am sure will continue throughout this administration.

As the Prime Minister has said on other occasions and as has been repeated by the Minister of Indian Affairs and Northern Development, the government has in principle agreed to the preparation of new legislation which will deal with the status of Indian peoples in Canada. It is in an attempt to determine the content of that legislation, and the policy most acceptable to the native peoples themselves as being the likeliest to meet their expectations, that the two ministers are now engaging themselves. Certainly, in the end result the beneficiaries of this activity will be, as we all want them to be, the native peoples themselves.

[*Translation*]

HISTORIC MONUMENTS—ADMINISTRATION AND MAINTENANCE OF VIMY MONUMENT

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I do not know whether it is in order but I rise on a question of privilege to point out that as the minister has been detained in Montreal and his executive assistant informed me that the minister wishes to answer my question personally, I agreed not to discuss it to-night. However, I hope that the house will allow me to raise the matter again during the next proceedings on the adjournment motion.

The Acting Speaker (Mr. Béchard): Order. I do not think there is a strict provision concerning proceedings on the adjournment motion, but I can tell the hon. member that his remarks have been noted and will be conveyed to whom it may concern.

[*English*]

Motion agreed to, and the house adjourned at 10.15 p.m.

HOUSE OF COMMONS

Tuesday, February 25, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Tenth report of standing committee on finance, trade and economic affairs, in French and English—Mr. Gaston Clermont (Gatineau).

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would like to announce a change in the business of the house. As I announced last Thursday we will be commencing today with the second reading of the omnibus Criminal Code bill, but there will be a change in the order of business when that is completed assuming it is completed today. I had announced last week that we would go on to the drug prices bill, but at the request of the hon. member for Peace River (Mr. Baldwin) we have agreed to defer that. We therefore intend to call as the second item of business the third reading of Bill C-138 to amend the Bretton Woods Agreements Act and would follow that with second reading of Bill C-172 to amend the Financial Administration Act.

I should indicate in connection with the Criminal Code bill and the Financial Administration Act that my colleagues, the Minister of Justice (Mr. Turner) and the President of the Treasury Board (Mr. Drury) are, I might say with our great regret at the occasion, both in Montreal attending the funeral of a former member for St. Lawrence-St. George, the late Claude Richardson. They will be returning later this afternoon. The Minister of Justice will be in his seat at that time during the debate on the Criminal Code.

ORAL QUESTION PERIOD

HOUSING

POSSIBLE RECONSIDERATION OF FREEZE ON PUBLIC PROJECTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Transport in connection with his responsibility for housing. Arising out of his meeting over the week end with the provincial ministers responsible for housing may I ask the minister, in view of the urgent representations made by these ministers, whether the government is reconsidering its freeze on public housing projects.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, we had a very useful meeting with the provincial ministers. I assured them the questions which are outstanding will be considered by the government of Canada and decisions taken just as soon as possible, and that as soon as those decisions have been taken we will notify them at once.

Mr. Stanfield: Mr. Speaker, would the minister tell the house whether it is a fact that in the past two months no federal funds have been approved, as an example, for Ontario's public housing projects, and I mention Ontario only for the purpose of giving an example, and that a very substantial number of public housing projects in that province as well as in other provinces are in fact held up awaiting the approval of the government of Canada.

Mr. Hellyer: I could not say whether it is a matter of fact or not. Some projects have been approved; others are pending awaiting the outcome of the policy review which is presently taking place.

Mr. Stanfield: Would the minister consider giving the house a report on motions at an early occasion in respect of his conference with the provincial ministers, particularly concerning those aspects of the housing program relating to the question of conflict of jurisdictions.

Mr. Hellyer: Mr. Speaker, I do not think there would be much point in doing so at this

stage. There was a good discussion. I think the press already have reported it in some detail, giving some of the points of view that were expressed. Because it was an informal meeting and because there was no agreement concerning the making of a report based on it, I feel it would be beyond my jurisdiction to try to report the position taken by the various parties. I can assure my hon. friend however that the atmosphere was one of the utmost co-operation and although one would not expect that many people to be unanimous in respect of everything, we do want to make decisions which will provide the best result, so that the Canadian people will receive the best value for their tax dollars, and decisions which will meet the housing situation wherever it is urgent in this country.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the minister. Is it a fact that housing developments involving some 3,000 apartments valued at some $38½ million are still awaiting federal approval? Does this mean that the minister is freezing certain aspects of the housing program and, if so, what aspects?

Mr. Speaker: Order, please. I think at this point I should offer a word of caution about the form of the questions asked by the Leader of the Opposition and the hon. member for Nanaimo-Cowichan-The Islands. I think it is somewhat irregular to ask a minister to confirm or deny a fact, which it seems to me was the form in which the questions were put. I suggest it would be more consistent with the usual practice for the hon. member to ask his question directly.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Perhaps I might ask my question direct, Mr. Speaker. Are housing projects involving some 3,000 apartments valued at $38,500,000 still awaiting federal approval? Has there been some type of freeze on some aspects of the housing program? What aspects are now being held up, and for what reason?

Mr. Hellyer: As I just indicated, some projects have been approved, others are in process of being approved, and still others will have to wait a few days until the government has had a chance to review its policy in these matters. It is a fact however that housing construction last year was at an all-time high in the history of the country. This trend has continued during the first part of this year, and I hope it will continue throughout the year.

[Mr. Hellyer.]

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister whether the particular projects to which I have referred, namely the 3,000 apartments valued at $38,500,000, are being held up for any particular reason? Is this a matter of policy or merely a matter of processing the applications? Why has there been this apparent freeze in federal housing?

Mr. Hellyer: It is impossible for me to know which particular projects the hon. member is referring to.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in view of the fact we are talking about freezing at this particular time, and because urban renewal plays a great part in housing problems in this country, can the minister advise whether the contribution of the federal government to urban renewal projects has or has not been frozen?

Mr. Hellyer: Mr. Speaker, it would be difficult, in fact impossible to give a categorical answer to that question, because the answer would be similar to the previous one. In some cases projects have been approved and are continuing. It is obvious in respect of some new projects that some will have to go forward. It is equally obvious that some can be postponed for a few years—and I refer to those which involve large commercial developments, purchases from entrepreneurs, factories, hotels and worn out stores. They can be postponed until such time as we have produced enough housing in this country to meet the urgent needs of Canadians.

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

Mr. Speaker: Order, please. Would the hon. member resume his seat? I note that a number of other members want to ask supplementary questions. We will soon have to go to another subject. I hope hon. members will exercise some restraint in asking supplementary questions on this matter. However, I will allow a supplementary question by the hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker, I am trying to obtain a definitive answer from the minister, particularly as to urban renewal programs already commenced. There are some 300 cities involved with this type of program, and it would be a matter of great gratification if the minister could advise those cities that their projects are not frozen. I have in mind urban

renewal programs already started. It would be of great help to all concerned if a yes or no answer could be given.

Mr. Hellyer: Mr. Speaker, it is just not that simple, because the hon. member is inquiring about 300 and some schemes which have not yet been started. Without reviewing each one of them it would be impossible to give an assurance as to whether or not they will go forward at this time, taking into account the over-all priority on government spending.

REQUEST FOR RECOMMENDATIONS FOLLOWING REPORT OF TASK FORCE

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. I think it was about three weeks ago that the minister said he was making urgent recommendations to the cabinet arising out of the report of the task force. As I say, that was about three weeks ago. The minister at that time said we could expect a government statement on housing policy. How long do we have to wait until this statement is made?

Mr. Hellyer: Not very long, Mr. Speaker.

THE MINISTRY

POSSIBLE SHELVING OF URBAN AFFAIRS PORTFOLIO

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, in view of the strong objection by the governments of Ontario and Quebec is the federal government shelving the idea of establishing a ministry of urban affairs?

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Prime Minister.

Since the recent federal-provincial conference, the Prime Minister has taken pleasure in repeating on the C.B.C. network, during the program "Deux plus un" for instance, that money does not grow on or under trees. Could he tell us where money grows?

Mr. Speaker: Order. Such a question should be directed to the Minister of Agriculture.

Mr. Caouette: Mr. Speaker, you are right in referring me to the Minister of Agriculture, who is an expert in money growing, and to whom I direct my question.

[*English*]

EXTERNAL AFFAIRS

SOUTH VIET NAM—SHELLING OF CANADIAN HOSPITAL—REQUEST FOR REPORT ON SAFETY OF CANADIAN PERSONNEL

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question to the Prime Minister relates to the Viet Cong, North Vietnamese forces making a shelling attack on the Canadian t.b. hospital in South Viet Nam, in which a Canadian doctor was killed and the hospital completely destroyed. I ask the Prime Minister whether the other Canadian personnel are safe, and will he tell us something about their well-being? Second, can the Prime Minister report to the house with regard to this incident, which I believe happened about three days ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot report because I do not know about the incident. But I am quite sure the Secretary of State for External Affairs, under whose jurisdiction this matter falls, will be pleased to do so when he is in the house.

INDIAN AFFAIRS

YELLOWKNIFE, N.W.T.—ALLEGED DEGRADING REGULATIONS IN AKAITCHO HALL

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. He will no doubt recall that on two days last week I asked him questions dealing with the degrading rules and regulations to which the residents of Akaitcho Hall in Yellowknife are being subjected. In reply the minister said he would look into the matter. I wonder whether he can give an answer today.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. I was ready to answer Friday, but since the hon. member was not in the house, I had to wait till today in order to do it.

Mr. Speaker, I have considered the problem raised by the hon. member for York South regarding regulations in force at Akaitcho Hall, in Yellowknife, and I have asked the commissioner of the Northwest Territories, Mr. Hodgson, to see that those regulations are not discriminatory. I have also asked him to discuss the institution with the authorities, the parents and the students, in order to come up with a solution that will maintain order

and discipline, be agreeable to the parents and preserve the interests of the students.

The revision of the regulations has begun and I think it would have been better if the problem had been raised at the local level before being raised in Parliament.

[*English*]

Mr. Lewis: A supplementary question, Mr. Speaker. I would inform the minister that my roster keeps me away only one day a week.

Some hon. Members: Hear, hear.

Mr. Trudeau: We can allow you more, if you wish.

Mr. Lewis: That is, compared with the minister's roster. Has the minister received a second telegram bearing some 60 names, indicating that the purport of the telegram to which he referred last week was voted down twice at two meetings of the residents, and requesting an inquiry into conditions at Akaitcho Hall? If so, will the minister consider instituting such an inquiry?

[*Translation*]

Mr. Chrétien: Mr. Speaker, indeed, I have received that telegram. I also got many others from parents, and that is why I have requested the commissioner of the Northwest Territories, Mr. Hodgson, to look into the matter.

[*English*]

Mr. Lewis: I would ask another supplementary question, Mr. Speaker, with your permission. Is the minister aware of the existence of a report issued some time ago by someone called Steve Iveson, of the Company of Young Canadians, on conditions in Akaitcho Hall? This report contained a stinging condemnation of conditions there. If the minister is aware of that report, has he given it study and taken steps to see that the situation is remedied?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have not received such a report yet. I believe that it should have been submitted to me before falling into the hands of an opposition member.

[Mr. Chrétien.]

[*English*]

CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Finance, Mr. Speaker. In view of the fact that the cost of living has risen substantially each month for the last 16 months—the longest losing streak on record—and that there is no indication that this current trend is about to be reversed, would the minister advise the house if the government is planning in the near future to introduce new initiatives to counteract this trend?

Hon. E. J. Benson (Minister of Finance): I would like to point out to my hon. friend that according to O.E.C.D. Canada had the third best record in the western world with respect to the cost of living.

An hon. Member: That is not good enough.

Mr. Benson: Secondly, I have indicated publicly that I think this is not good enough, and that all of us must practise restraint. I hope my hon. friend will support all my budget measures in this regard.

Mr. Hees: If this procedure is winning, I would hate to see us when we are losing. However, I would like to ask a supplementary question. Do the minister and his colleagues never get headaches from keeping their heads in the sand so long?

Mr. Benson: Mr. Speaker, the only time they get headaches is from listening to my hon. friend.

Mr. Speaker: Order, please. I suggest to the hon. member that his last question was not in order. I did not hear the reply but I suspect that that was not in order either.

POST OFFICE DEPARTMENT

ACTION TO DEAL WITH WALKOUTS AND ABSENTEEISM

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Postmaster General. It probably has to do with some headaches too. I am referring to the disturbing and obviously deteriorating conditions in the minister's department. Will he say how he intends to deal with the walkouts and large scale absenteeism under way in Ontario yesterday, and with the protests of 2,000 carriers in Montreal?

Hon. Eric W. Kierans (Postmaster General): They have already been dealt with. The conditions are normal in Hamilton, Welland and Toronto today, and they are just about normal in Montreal also.

Mr. Lewis: What does "normal" mean?

An hon. Member: Chaos and confusion.

Mr. Macquarrie: I have a supplementary question, Mr. Speaker. Is it the position of the Postmaster General that the backlog of 500,000 letters in Montreal as reported today is a normal circumstance?

Mr. Kierans: The figure is wildly exaggerated, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question for the Postmaster General. Does he also intend to restore to the public the service which was provided by the Post Office Department?

Mr. Kierans: I think that the service is improving considerably—

An hon. Member: That is nonsense.

Mr. Kierans: —and when we take into account the fact that over 90 per cent of the people in the two unions favour the five day week, I think that this is a pretty good batting average.

Mr. Lambert (Edmonton West): I am talking about service to the public.

SATURDAY DELIVERY TO RETAIL ESTABLISHMENTS

Mr. A. D. Hales (Wellington): I have a supplementary question for the Postmaster General. Is he giving consideration to providing a Saturday delivery service to retail establishments?

Hon. Eric W. Kierans (Postmaster General): No, Mr. Speaker.

[*Translation*]

PUBLIC WORKS

ST. ROMUALD, QUE.—CONSTRUCTION OF GRAIN ELEVATORS

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to ask a question to the Minister of Agriculture.

Since the federal government will have a deep-water wharf built at Saint-Romuald because two oil refineries will soon locate there, has the Minister of Agriculture considered building grain elevators in that locality to serve the south shore?

Mr. Speaker: I believe that the question as asked by the hon. member could easily be put on the order paper, and if there is any urgency, I would gladly come back to it with the hon. member to discuss it at the time of adjournment.

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

[*English*]

TRANSPORT

SUBSIDIES ON INTRA-PROVINCIAL FERRIES

Mr. Maurice Foster (Algoma): My question is for the Minister of Transport. Would he advise the house if an agreement has been reached between the Canadian Transport Commission and the province of Ontario on the cost sharing of subsidies on intra-provincial ferries?

Mr. Speaker: Order, please. It is difficult for the Chair to determine whether the question as asked is one of urgency. If it is urgent, perhaps the hon. member would not mind returning for the purpose of considering the question at the time of adjournment.

WATER RESOURCES

SEWAGE TREATMENT PLANTS IN NATIONAL PARKS

Mr. Eldon M. Woolliams (Calgary North): I want to ask the Minister of Indian Affairs and Northern Development a question arising out of an answer that was given to a question on the order paper. This question is connected with the national problem of the pollution of our rivers. Can the minister assure the house that the national parks under federal jurisdiction will be accommodated with proper sewage treatment plants this year?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if I am well informed, the department will take the necessary steps to build a sewage treatment plant there as soon as possible, maybe this year.

[*English*]

Mr. Woolliams: I wonder if I might ask a supplementary question, since this promise has been made for two years, now. Is there an allowance in the estimates to establish such a plant to protect rivers in western

Canada against absolute pollution, and thereby safeguard the health of those in the cities through which they flow?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have not brought the estimates with me today.

[*English*]

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSIONS WITH U.S. ABOUT RECOGNITION

Mr. Robert Muir (Cape Breton-The Sydneys): My question is directed to the Prime Minister, Mr. Speaker. May I ask the right hon. gentleman whether the Canadian government has exchanged correspondence or held any discussions with the United States on the question of Canada's relations with Red China and, if so, what has been the position taken by the United States?

Right Hon. P. E. Trudeau (Prime Minister): I know of no such correspondence, Mr. Speaker, but of course we did talk with our United States counterparts on this question as we did with the external affairs departments of many other friendly countries. The outcome is the policy which we are now pursuing.

Mr. Muir (Cape Breton-The Sydneys): May I ask whether the Prime Minister has received any advice from the government of the U.S.S.R. or held any discussions with that government on this question?

Mr. Speaker: I hope the hon. member does not propose going through all the nations of the world. Perhaps we might go as far as the U.S.S.R.

Mr. Trudeau: I should like to go that far, Mr. Speaker, and I will ask the minister directly concerned to report to me on it.

Mr. Muir (Cape Breton-The Sydneys): Is the recognition of Red China one of the subjects for discussion between the Prime Minister and Mr. Nixon at the forthcoming meeting in Washington, and was this so signified in the president's invitation?

Mr. Trudeau: The agenda will be negotiated between the President's office and mine, and our foreign affairs departments. Until an agenda has been established I would not want to go into details about it. But I hardly think this particular question would be the subject of many talks, because our policy is already established. I would be very glad however to extend some advice to the President of the United States, if he were to ask for it.

Mr. J. Edward Broadbent (Oshawa-Whitby): Is it true that the State Department of the United States now believes it would be a good idea for Canada to recognize Red China?

Mr. Speaker: Order.

CANADIAN NATIONAL RAILWAYS

TRANSFER OF DIRECTION OF WORK AT TRANSCONA SHOPS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? In view of reports from Winnipeg that the direction of work at the C.N.R. shops in Transcona is being transferred from Winnipeg to Montreal, will the minister make it clear that this will not mean the transfer of work from Transcona, as happened in the case of the Air Canada operation at Winnipeg?

Hon. Paul Hellyer (Minister of Transport): I must admit I am not familiar with this particular problem but I shall be glad to inquire of the railway company and reassure the hon. gentleman, if that is the result of my consultation.

Mr. Knowles (Winnipeg North Centre): Will the minister do that in the house at an early date?

Mr. Hellyer: At the earliest possible opportunity, Mr. Speaker.

DIFFICULTIES IN OPERATION OF TURBOTRAIN

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport, or for the acting minister to whom notice has been given. Has the minister any information on the turbotrain fiasco, and whose responsibility it was?

Mr. Speaker: Order. I am not sure that the question as asked is in order. Certainly it is in rather strong terms. Perhaps the hon. member might like to rephrase the question. In any event, I doubt that the question should be answered at this time. The hon. member is asking for a report which, in my view, ought to be made on motions.

Mr. Bell: Mr. Speaker, I shall try again at your invitation. Has the acting minister any information on the latest turbotrain difficulties?

Mr. Speaker: Order, please. The hon. member's question was put in an excellent way but it is still out of order, in the sense that he is asking for a statement which ought to be made on motions.

LABOUR CONDITIONS

RETRIEVAL OF CANADIAN STUDENTS FROM UNITED STATES

Mr. A. D. Hales (Wellington): I should like to address my question to the Minister of Manpower and Immigration, Mr. Speaker. In view of the great difficulty it is expected will be encountered this coming summer by Canadian students, both graduates and undergraduates, is it the intention of the government to continue to send teams of men employed by the Public Service Commission into the United States to coax Canadian students back to Canada?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): This operation of retrieval has been going on for some time now, and it has not been discontinued.

Mr. Hales: Is it the intention to discontinue this retrieval procedure?

Mr. MacEachen: No consideration has been given to the discontinuance of a program which we believe to be in the national interest.

PUBLIC BUILDINGS

BATH-MILLHAVEN FEDERAL PRISON COMPLEX

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My question is for the Parliamentary Secretary to the Minister of Public Works, Mr. Speaker. I might add that I have given the minister notice. Is the department aware that a certain sub-contractor who was recently connected with the construction of the Bath-Millhaven federal prison complex is failing to honour his local financial obligations and has issued many cheques for labour and services which have been returned marked N.S.F., causing great inconvenience in my riding?

Mr. Speaker: Order, please. Although the question may be of some urgency, it is the type of question which in my view should be discussed at the time of adjournment rather than asked at this moment.

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

Inquiries of the Ministry

INDIAN AFFAIRS

POSTPONEMENT OF CONFERENCE ON NATIVE PEOPLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development whether the proposed national consultation on Indian affairs has been postponed and, if so, why?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. The hon. member for Skeena asked the same question last night.

The consultations set for March have been postponed for the following reasons: 17 meetings with Indian representatives have been held across Canada since last July. The last one was held in Terrace, British Columbia, as recently as January 28. Many documents have been printed. The delegates have been provided with the reports on the first 15 meetings and the two last reports should be available soon. Those reports have now to be examined and assimilated.

The reason why this meeting has been postponed, Mr. Speaker, is that some Indian delegates have asked for a little more time to read those reports, and more so because two reports are still unpublished, as some consultations took place as late as the end of January.

[*English*]

Mr. Stanfield: A supplementary question, Mr. Speaker. I should like to ask the minister what reply he has made to the complaint of the Indian Association of Alberta that it has been denied the degree of representation promised it at such consultation meeting?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have not yet answered the request of the Alberta Indians regarding their representation, but I do not believe that the Indians of Alberta should have a special status compared with the other Indians of Canada.

[*English*]

[*Later:*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to one asked a few moments ago by the Leader of the Opposition (Mr. Stanfield) and is directed to the Minister without Portfolio who is responsible for Indian affairs. In view of the fact that the Minister without Portfolio was present at the Alberta hearings when the Alberta Indians elected six delegates to attend

the Indian hearings in Ottawa, why did the minister not state at that time that Alberta was allowed only four delegates?

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

REQUEST FOR STATEMENT ON "INDIANS AND THE LAW"

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. On December 18, some time ago, I posed a question about the prospects of the government or the minister making an announcement regarding government policy on the document "Indians and the Law". Since then we have heard nothing. I wonder whether the minister would mind looking at this, so that it may be digested, too?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have examined the problem, but I do not think that I can table the order in council in question. I have not had a definite answer yet, but I hope to be able to give one to the hon. member this week.

[*English*]

Mr. Howard (Skeena): Mr. Speaker, I rise on a point of order. I think the minister misunderstood my question. I did not ask him about an order in council. I pointed out that on December 18 I had asked whether or not the government would make a statement on policy with respect to the publication "Indians and the Law". I was told that that would be looked into. The minister now tells me something about an order in council and I do not know what the connection is.

[*Translation*]

Mr. Chrétien: I will study the question, Mr. Speaker.

[*English*]

AGRICULTURE

COMPLAINT AS TO SEATING AT CONGRESS MEETINGS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that some farm spokesmen have complained that they have been allocated only a minority of the 400 seats available at the agricultural congress that is to be held in March, will the minister consider a reallocation of seats in order to ensure to farmers the representation to which they are entitled at a conference that is going to decide their future welfare?

[Mr. Yewchuk.]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, 175 of the 400 delegate seats have been awarded to producer groups. I think the hon. member's conclusion is unfair, because of the balance of 225 delegate positions, 105 have been allocated to the provincial departments of agriculture and the federal Department of Agriculture. In addition, 25 positions have been allocated to the agricultural faculties of universities across the country. So I do not think that the assertion of the hon. member is in any way fair.

Mr. Gleave: A supplementary question which bears upon my previous one. In view of the statement by representatives of western vegetable producers that no seats were given to any marketing board or marketing commission in western Canada at the proposed conference, would the minister be prepared to take a look at this area in particular and to take whatever measures are necessary?

Mr. Speaker: The hon. member has made a representation to the minister.

REQUEST FOR DOCUMENT PREPARED FOR DELEGATES

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a number of questions were asked yesterday about the agricultural congress, to which I could perhaps reply briefly. First, I am advised that copies of the papers for the congress have been supplied to the members of the Standing Committee on Agriculture. There is a limited supply of these documents, but if any hon. members are interested in securing copies and will so indicate to me, I will be happy to see they get them.

FARM MACHINERY

REQUEST FOR ROYAL COMMISSION REPORT

Hon. H. A. Olson (Minister of Agriculture): May I say, Mr. Speaker, that I have been in touch with the royal commission on farm machinery and they have informed me that they anticipate having available for release the study on all aspects of farm machinery pricing well in advance of the presentation of the final report. It is the view of the commission that an interim report covering solely the aspect of the relative pricing of farm machinery in Great Britain and Canada could be misleading and that the complete study will be much more useful. That study will be available shortly.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF FUTURE AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to put a question to the Minister of Transport.

In view of the fact that more than 650 municipalities have sent resolutions and recommendations in favour of the site proposed by the Drummondville municipality for the international airport, could the Minister of Transport tell us whether those resolutions are to be compiled and examined and whether those municipalities will get an answer from the government?

[*English*]

Hon. Paul Hellyer (Minister of Transport): All representations are considered, Mr. Speaker. If the municipalities have sent in individual representations, I would expect they would in fact be acknowledged.

[*Translation*]

POST OFFICE DEPARTMENT

EMPLOYMENT OF ROD SERVICE PERSONNEL

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the Postmaster General.

In view of the statement he made yesterday that 27 of the 110 employees laid off by Rod Service Limited had been hired by the Post Office Department, could the minister tell us whether the other 83 can also be hired by the Post Office Department in the near future?

Mr. Speaker: I think that the question could be put on the order paper or discussed at the time of adjournment.

EXHIBITIONS

REQUEST FOR DECISION ABOUT MAN AND HIS WORLD

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Since the cabinet made him responsible for advising it concerning the decision of the federal government about a contribution for the financing of "Man and His World", I would like to know whether the minister is now in a position to announce the decision of the government? If not, when will he be in a position to do so?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am suppose to meet the provincial and municipal authorities this evening, Mr. Speaker.

What I will now say is especially for the information of the press. If the decision is favorable, there will be a press conference. If not, there will not be any.

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

If the decision is not favourable, does the minister intend to make statement tomorrow in order to explain the reasons?

Mr. Speaker: Order. In my opinion, the question is hypothetical.

[*Later:*]

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. It follows up the one raised earlier by the hon. member for Charlevoix.

Is the minister aware that only Montreal tax-payers are eligible for jobs at "Man and His World". So if the federal government is willing to grant some assistance to the city of Montreal for such an undertaking, does not the minister agree that such a restriction should be removed?

Mr. Speaker: The hon. member has made to the minister representations which have been noted.

[*English*]

GRAIN

REQUEST FOR FINANCIAL ASSISTANCE IN DRYING OPERATION

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the recent statement by the National Farmers Union that under present government policy in regard to drying grain, an estimated 100 million bushels of grain will be lost through spoilage, is the government contemplating any further increase in financial assistance or any other measures to forestall such a catastrophe?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, whether any grain spoils or does not spoil, there will be no connection between such event and federal government policy. The fact is that the federal government has been very helpful in co-ordinating, to some extent with the provinces, maximum use of grain dryers on farms, as well as

providing additional cash advances. I should like to advise my hon. friend that at the end of this week we will be having a further report from the Board of Grain Commissioners and the Canadian Wheat Board on how far we have advanced in the drying of grain on farms, and what will be the total volume of tough and damp grain remaining at the end of this month.

Mr. Muir (Lisgar): A supplementary question, Mr. Speaker. When the minister receives this report will he communicate it to parliament immediately?

Mr. Olson: I think that could be done, Mr. Speaker.

FISHERIES

INQUIRY ABOUT STATEMENT ON ATLANTIC SALT COD

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Fisheries. Since he made a statement recently about the groundfish industry, may I ask whether he will soon make another statement about the salt fish industry in general, and Atlantic salt cod in particular?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as I said at the end of my announcement last week, we hope in a few weeks to make an announcement about the salt fish industry.

Mr. Lundrigan: May I direct a supplementary question to the Minister of Industry, Trade and Commerce, Mr. Speaker. Is his department taking initiatives, in co-operation with the Department of Fisheries, to stimulate the United States market in fish?

Mr. Speaker: Order, please. The hon. member is asking for a general statement which I suggest cannot be made at this time.

TRANSPORT

EXTENSION OF L.C.L. RATE FREEZE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Transport. Since most of the more than 100 briefs presented to the transport committee recommended the extension of the l.c.l. rate freeze to beyond March 3, 1969, will the minister make sure that the freeze is extended until such time as the transportation policy for the Atlantic area is defined and announced?

[Mr. Olson.]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this question is under urgent consideration at the moment, as indicated to the Atlantic premiers in my reply contained in a wire I sent them a few days ago.

HARBOURS

REQUEST FOR TABLING OF REPORT ON ADMINISTRATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Minister of Transport. Will he undertake to table an already widely circulated departmental report on the administration of ports and harbours in Canada. At the same time will he assure the house and the people of Canada that no action will be taken on this report until it has been studied by this house and the department.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the report already has been tabled. I can assure my hon. friend that no action will be taken until the committee has had a chance to study it.

HOUSING

OTTAWA—APPROVAL FOR BUILDING OF PUBLIC UNITS

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct a question to the Minister of Transport in his capacity as minister responsible for housing. Is it his intention to give immediate approval for the building of 800 public housing units awaiting approval in Ottawa. That action may alleviate the already urgent housing situation in this area.

Mr. Speaker: Order, please. I believe a similar question was asked yesterday.

INDIAN AFFAIRS

FULFILMENT OF TREATY RESPECTING MIGRATORY BIRDS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Has the minister received reports that across large sections of western Canada migratory game birds in winter feeding grounds are not being protected as they ought to be under the international agreement?

Mr. Speaker: Order, please. I wonder whether we might not consider this question at the time of adjournment.

WATER RESOURCES

ESTABLISHMENT OF NATIONAL ADVISORY COMMITTEE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Acting Minister of Energy, Mines and Resources and is, in a sense, supplementary to the question asked a few moments ago about the matter of water pollution. Can the minister advise the house of any progress made with the provinces towards establishing a national advisory committee on water pollution? That proposal was outlined by the minister on October 16, 1968.

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I hope to be in a position to report more fully on that matter in due course.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Finance.

In the supplementary estimates (B) tabled yesterday, we find under Public Works an increase of $4 over the main estimates. Could the minister tell us whether this substantial increase results from the construction of public buildings in Hull?

[*English*]

OIL

PROVINCIAL REGULATION AND CONTROL IN MINERAL RIGHTS AREAS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, may I direct a question to the Acting Minister of Energy, Mines and Resources. Considering the recent statement of the mines minister of British Columbia, that offshore oil drilling rigs are still subject to provincial regulation, may I ask if the federal government has any agreement with any province under which it will accept provincial regulation and control of operations in the offshore mineral rights areas?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member should be aware of the announcement some little time ago of the administrative lines which the federal government announced pursuant to the Supreme Court's decision on offshore rights. The federal government is administering offshore rights lying beyond the marked administration lines.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed, from Thursday, February 13, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are discussing the famous omnibus bill that I would call a catchall because it contains 120 clauses on matters as varied as the control of offensive weapons, betting, lotteries, the breathalizer test, and finally to inaugurate a new era of legalization, that of abortion, with very doubtful effects, one would think, besides clauses very short but heavy with consequences concerning the legalization of homosexuality.

Mr. Speaker, over and above the catchall character of the bill, members of all parties will have to vote for or against the whole bill, and will then be in the impossible and unacceptable position of having to approve it without restriction or to reject it without amendment. Far from accepting the procedure, Mr. Speaker, I wish to fight against it in this chamber, and in this regard, I am convinced that many of my colleagues from all parties intend to do likewise, even those who cannot speak—namely the members of the government party—because their leaders have muzzled them.

• (3:00 p.m.)

Mr. Speaker, I would like the Minister of Justice (Mr. Turner) who sponsored this criminal bill, and above all the Prime Minister (Mr. Trudeau) for reasons already stated, to know that if legislators use this procedure, it cannot but result in the adoption of an inappropriate, incomplete, inaccurate and even insufficient Act.

We are legislators; we are not necessarily experts in criminal law or even in medicine. However, the different articles of the bill require from the legislators enlightened opinions, a thorough study which will motivate his backing a given article. I am thinking, for instance, of the breathalizer, of

lotteries, of the gun control. I should support such an amendment to the criminal code without any qualification for in my opinion that would meet a crying need, because the criminal code is absolutely inadequate in that field.

However, Mr. Speaker, I strongly object to the legalization of abortion and of homosexuality, for various reasons I am going to state presently.

Such is the impossible situation in which all the members of the House without any exception are put by the present government. That is why I want to ask the minister and the Prime Minister to allow all members to vote for or against a split bill, after grouping according to topics the 120 articles of the omnibus bill. This, Mr. Speaker, is a reasonable claim that deserves not only to be listened to, but also to be warmly welcomed.

The second aspect I want to deal with is as important, if not more, than the first.

Everybody knows that for most if not all members, the bill introduced by the Minister of Justice has several serious moral implications. In fact, we are in a quandary, since the passage of certain clauses could give rise to a real problem of conscience for many members, including myself.

I shall only mention, as an example, clauses 14, 15 and 18 all dealing with different aspects of abortion, and involving serious moral implications as to determining when life begins, since according to experts, there is some doubt as to the determination of that exact moment. Such a situation raises for any conscientious legislator a real problem of conscience an unbearable situation in which no government has any right to put them, because it is then assuming rights which are not his.

For those reasons and many others mentioned by several members, I therefore ask for a free vote, so that every member, regardless of his political allegiance, may express his personal opinion, after having consulted his constituents, because the entire population must be made aware of this question of life and death. Every member should be allowed to vote freely without having to go against his party, committing only himself and his conscience, according to his knowledge and without prejudice to this government.

No party leader, Mr. Speaker, has the right to impose his views regarding this bill. No political party is powerful, big, or efficient enough to force a member of parliament, whoever he may be, to place the interests of his party or of his leader before the dictates of his conscience, his family, his constituents or of Canada as a whole. Should a party leader do so, whether he be prime minister or not, it would be a criminal act, and it would have been better for him to have died in his mother's womb, during an abortion.

A free vote where each and everyone can express his opinion, without fear of retaliation, that is what I wish and demand, Mr. Speaker. A free vote where everyone can express his truly personal opinion, without causing the government to be overthrown, if any clause or even the whole bill should be defeated. I do believe that such a thing is possible, and that it deserves not only to be given some consideration, but also to be fully examined in depth and approved.

Our debates will be all the better for it, our legislation more human for it, and better adapted to our rapidly developing society. For is it not the purpose of the bill before us to update the Criminal Code? It has now become commonplace to say that our French- or English-Canadian society has developed at a startling pace, and it is only normal that legislators try to update the judicial system, and they have already started.

The primary instrument of the judicial power—the Criminal Code—must also be updated, and we must be happy about that, Mr. Speaker. There is no need to stress the fact that a complete revision of the Criminal Code is long overdue; it must also be adjusted to the new concepts of society. However, Mr. Speaker, in our effort to adjust our legislation to the new sense of values which the Council itself recognizes in putting less emphasis, for instance, on minor things, but more on the essential, the fundamental things, that is the human aspects, the individual and collective participation, the dialogue, etc., we must at all costs avoid falling into the other extreme.

If, on one hand, laws are too rigid, they quickly become inhuman, denying the freedom of individuals and their possibilities, their rightful desires to self-achievement, to development. Because I am Créditiste and because I believe in the self-achievement of the human being, I am happy to see that the government wishes to humanize the Criminal Code, for it is really a matter of humanization.

But if, for the sake of modernization, for the sake of humanization, of individual and collective freedom, we allow ourselves to be

led into the venture of libertinage where the Prime Minister and the Minister of Justice are leading us, then we are not going forward, because we are just replacing something wrong by something worse. There lies the huge responsibility which rests heavily upon legislators.

On the one hand, we must bring forward a legislation which is humane, and promotes freedom and security for individuals, while on the other hand, that very same legislation must be sufficiently firm to maintain that happy medium which will ensure that our society is based on order and not on disorder, on justice and not on injustice and crime, on honesty and not on perversity.

To illustrate my viewpoint, I shall say a few words of sections 14, 15 and 18 regarding abortion.

Mr. Speaker, it is generally recognized that abortion in all its forms, is being practised on a large scale, not only in Canada, but in many other countries.

It seems to me that abortion is a social ill which cannot be easily erased but as it has most serious implications, we must try to correct it.

The practice of abortion is the indication of a very deep problem which has existed for a very long time and which is more and more prevalent, even though it stems from an ill-balanced notion of sex. That is my opinion.

As the Foyers Notre-Dame have indicated, abortion is rather a last resort in cases where contraceptives have failed. The danger we are facing in this ill-balanced concept of sex, which is often due to an inadequate and unhealthy education or to a rotten social environment, is that when you allow abortion, women who resort to it begin to believe—it is already so—that this practice which I consider as a crime, is the best method of birth control.

I suggest, Mr. Speaker, that therapeutic abortion is irrational because it is based on false premises and can only warp the scales of values.

Whoever says abortion says interruption of the natural course of things, and the reasons that may warrant such an interruption cannot be, in most cases, anything but pretexts prompted by a false notion of sexuality, or the misfortune of a young girl who has been caught, wilfully or not, or else by the miscalculation of a couple who, for some reason, do not want a child, or still, through the influence of an unhealthy social environment where economic conditions, very often, only make matters worse.

To procure or secure abortion is not a natural thing. On the contrary, it puts an end, in a most tragic way, to the natural development of life.

On the one hand, Mr. Speaker, people talk of therapeutic abortion, which constitutes a formal contradiction. As a matter of fact, whoever says therapy says taking a step in order to re-establish the normal course of a thing. Whoever says therapy says natural treatment in order to insure health.

Mr. Speaker, doctors admit, even the specialists, that pregnancy is not necessarily an illness. Indeed, in these circumstances, some women suffer only a few minor discomforts, of a very temporary nature.

In general, thanks mainly to medical progress and new techniques that are almost one hundred per cent effective, few pregnant women get sick to the point that their health is endangered and, even less, their life.

Clause 18 of the bill before us is intended to add to section 237 subsection (4) (c) which reads in part as follows, and I quote:

—would or would be likely to endanger her life or health,—

—that is the pregnant woman's. That provision is much too broad and could involve numerous definitions, Mr. Speaker. For instance, these words "would endanger her life or health" need to be clearly defined. And in the same section, we find this:

—would be likely to endanger her life or health—

—that is the mother's.

Who shall determine whether the mother's life is or is likely to be endangered? That is the point that should be settled. Where the mother's life is really endangered, medical practioners must intervene to save the mother's or the child's life. The decision, I feel, should be made by the couple and not by the Prime Minister.

If the mother's life is likely to be endangered, decision must still be made, but now it is much more difficult than in the first instance. There is a difference, Mr. Speaker. The legislation should provide for various situations rather than lumping them all together, as if all human reactions could be foreseen.

• (3:10 p.m.)

We start on a false premise, I think, when we insert in the same clause, in the same paragraph, the words "would be likely" and "would".

In my opinion, these are two different implications. Responsibilities in these two specific cases are different, and the Criminal Code serves precisely to evaluate the degree of criminality of an act in relation to another one.

We cannot therefore put everything in the same basket. I shall make the same comments regarding clause 18(4)(c) which says "would endanger the mother's life or health".

I think that moral, criminal, social and family implications are not the same in the case where the pregnant mother's life is in danger and in the one where her health is in danger.

This is why, Mr. Speaker, I strongly object to clause 18 which stipulates a lot of things, which allows for the consideration of many factors, events, predictions and human reactions which cannot be put in the same basket since every woman and every couple are in a different situation. In this connection, the number of children is very important, since it can serve as a basis to evaluate the degree of the parents' responsibilities.

I therefore think, Mr. Speaker, that as a matter of conscience, every member worthy of that name should object to that clause because it is very precise, too wide in scope, inhuman and because it recommends a criminal act should the doctor propose or accept abortion when the pregnancy would likely endanger the mother's health. We open the door to all illegal abortions that could or even could not be imagined now, since any pregnant woman could claim that her health is likely to be in danger and then the physician, in accordance with section 18(4)(c) would say: "The Criminal Code allows it."

Mr. Speaker, in my opinion, that clause is criminal. I support the provision which states that "it would endanger her life" but I strongly object against "would be likely to endanger her health". That inadequate measure would make possible the homicide of a child who has not asked to be born and who furthermore is innocent. Those provisions are much too broad, when one realizes that a pregnancy is not too dangerous.

I agree, Mr. Speaker, that the life of the mother must be protected. The choice still belongs to the couple concerned. The bill must provide for it, that is fine. The humanization of the legislation has no doubt some advantages.

If the mother has already one, two, three, four or even several other children who

of course badly need her presence, her home would definitely be broken by her death, because she is an essential element of family happiness. It goes without saying, Mr. Speaker, that if her life is in danger, the husband with his wife in accordance with the advice of several physicians could accept the abortion under the vigilant supervision of the medical board of an accredited hospital.

I agree, Mr. Speaker, because this is a typical case where the law must be broad enough to provide for the self-fulfilment of the human being, which respecting him in order that the family—and that is especially important—may go on living in progress and self-fulfillment.

Mr. Speaker, that is the limit! It runs absolutely counter to common sense, to respect for the human being and to life itself, to try and force us as the present government proposes to do, to adopt a clause providing for situations when the life or the health of the mother would probably be in danger.

The alternatives are clear, Mr. Speaker: either the woman was ill before becoming pregnant but pregnancy has made things worse and thus endangered her life; in such a case, I would accept the idea of a legal abortion, once the required checking was carried out by the medical board of the hospital; or, again, during the pregnancy, the woman contracted a disease not due to her condition, and then the same principle applies, provided her life is threatened and not her health. But the bill before us says and I quote:

—such female person would or would likely to endanger her life or health—

Mr. Speaker, I cannot understand why, among government members, in particular those from Quebec who understand or are supposed to know the problems of that region, so few rise and express their position on that matter. Either they have no opinion and are stupid, or they have no conscience and are immoral.

Mr. Speaker, I think our sense of duty must be strong enough to allow us to say fearlessly and frankly what we think, even though the Prime Minister would like to prevent us from doing so.

Mr. Speaker, heavy responsibilities fall upon the legislator. This clause is too wide in scope and too vague, which is intolerable in a bill of such an importance. However, the main stumbling block comes from clause

14, which is absolutely unacceptable to any sensible man. Indeed, Mr. Speaker, that section would make him guilty of murder who would cause to a child before or during its birth injuries likely to bring about his death, once he has become a human being; in other words, under the provisions of subsection 1 of the bill, once he has come out alive of his mother's womb.

Mr. Speaker, I find that clause most preposterous. It is absolutely unacceptable for many reasons. First of all, it is untrue to claim that a child is a human being only once he is born, as the law pretends it to be, for the premature baby who is born for example after four, five or six months of pregnancy can surely be "rescued", as the saying goes, thanks to incubators and other medical means which are now sufficiently developped to permit such an achievement.

Therefore, Mr. Speaker, the abortionist who would cause injuries to a five-month old foetus would actually kill, I think, a human being for were the child born prematurely, he would be recognized as a human being. It can thus be said that whoever brings about an abortion deliberately, by whatever means, from the moment when according to scientists life exists, commits murder.

Secondly, that clause is unacceptable because it is presumed that the abortionist, whether or not an expert—for in this area many illegal acts are committed which are not provided for in the law, even if the latter is more lenient concerning abortion—cannot afford to fail in connection with abortions, which I think is a sadistic attitude. In fact, if for one reason or another the child were to be born just the same, after suffering injuries, that abortionist could be prosecuted for murder, if the child dies after birth.

This compels the abortionist, or the doctor, to use methods that are absolutely sure, effective and drastic to kill the foetus while it is in the mother's womb, because, according to the new sections in this bill, it would not be a criminal offence to kill a foetus in the mother's womb as long as it is there. According to this bill, there would be homicide only if death occurred during birth or following the abortion. Mr. Speaker, I know hundreds of doctors who, in a general way, are opposed to this section and to this bill. Finally, there is another problem, the moral one and it is the most serious of all. Indeed Mr. Speaker, section 195(1) of the Criminal Code reads as follows:

> —a child becomes a human being within the meaning of this Act when it has completely proceeded, in a living state, from the body of its mother.

But, all Christians know that there is life long before the child is born. Experts who are atheists believe this also.

We should therefore expurgate from the Criminal Code a definition to the effect that birth is the beginning of life. It is well known, Mr. Speaker, that birth is not the beginning of life but a stage in life's progress and that life has begun long before the confinement.

I suggest that the Criminal Code cannot, unless it be expressly and criminally, state that life begins when the child has completely proceeded, in a living state, from the body of its mother, since most biologists agree that the birth of the child does not mark the beginning of its life but is rather indeed a stage in the progress of life.

In this regard, section 14 of the amending bill does not go far enough since it is necessary at all costs to define what we mean by a human being on the basis of modern concepts and modern knowledge available to us at the present time.

Therefore, it is not reasonable, Mr. Speaker, to keep in the Criminal Code if it is our intention to make it more human—and this is my wish—such a definition of life because birth would become the beginning of life while it is only a stage. At that rate, Mr. Speaker, all murders are permitted.

It is for these reasons that I strongly object to that amending clause which, in fact will solve nothing, which will not put an end to back street abortions but which will only increase them by encouraging the abortionist not to miss the mark for fear of being charged for murder. Is there anything more stupid, Mr. Speaker, more inconsistent and more inhuman than that? Under this new legislation we would accuse someone of murder if he had improperly killed, that is if he had missed the mark. It is horrible. It is immoral, it is inhuman and it is degrading that such a bill be put before us in 1969 when our medical, biological and other forms of knowledge are most highly developed. Mr. Speaker, this is totally unacceptable.

In my remarks now I shall deal with clause 7, on page 24 of this bill concerning homosexuality that is the exceptions regarding acts in

private between husband and wife or consenting adults. The purpose of this bill is to change sections 147 and 149 so that its provisions cannot apply to the acts which I have just mentioned.

Mr. Speaker, I object to this amendment for certain reasons that I shall set forth in a moment. The purpose of this amendment would be to remove from the Criminal Code the subject of homosexuality and its implications.

• (3:20 p.m.)

Mr. Speaker, if we take it out of the Criminal Code, in view of the fact that at the present time it does not come under the Civil Code either, under what jurisdiction will homosexuality come? This is what I should like to know. Will it not become a personal matter?

In view of the speeches made by the Prime Minister when he introduced the original bill, and that of the present Minister of Justice, it seems that now we want to make it a personal matter and I strongly object to it.

I consider homosexuality as a sexual deviation, a kind of mental deviation and sickness, and as such as an affection which should be treated.

Mr. Speaker, I am not surprised at all at this amendment sponsored by the Minister of Justice. In fact, the attitude of our governments, federal as well as provincial, is well known; they have attempted in every way, not so long ago, to degrade the alcoholic to make out of him a hopeless case, a vicious person, and until recently, they did absolutely nothing in order to fight such prejudices, which they fostered through their silence and inaction. It is not surprising that this same government should escape its responsibilities as regards this illness and should want to remove homosexuality from the Criminal Code, as they do not propose anything in order to rehabilitate those sick people.

Such are, Mr. Speaker, the comments I wished to make as briefly as possible, but which I was most anxious to make. To an oral question asked by an hon. member, Mr. Speaker, a minister answered that he was getting countless letters calling for the earliest possible adoption by parliament of this famous omnibus bill to amend the Criminal Code.

Mr. Speaker, I wish to tell him that we, of the Ralliement Créditiste, did not act in the same way as the majority of the Liberal members. We were not afraid to seek the advice of our constituents and we organized meetings in our constituencies. We sent circular letters, collectively or otherwise; we had radio broadcasts. By every possible means, we have honestly consulted people, not by setting them against the government, but by securing them objective information, in order to get their opinon.

Mr. Speaker, following the information gathered and the consultations held, at least in the 14 ridings represented by the Ralliement creditiste, one must conclude that in all our ridings, the people are quite opposed to the bill under study, and not necessarily against this government. I want to be objective and to underline that it is the present bill that is being opposed, since by adopting it, the government assumes to itself the right, by determining when life begins, to allow mass murder instead of humanizing this act.

Every day, a good number of people write to tell us that they are against this bill and they plead with us, as members of parliament or human beings—supposing there are still human beings in this house, because when we hear the members and the ministers speak on this subject, I am inclined to doubt it—they plead with us to oppose it, not in order to preserve the Criminal Code, outdated as it is, but in order to modernize it, to humanize it, so as not to prejudice the interest of mankind, as this bill seeks to do.

I have a letter here from Mrs. Thérèse Leduc, of Victoriaville, which reads as follows:

I am against abortion because our conscience says no.

She says: I thank you. I implore you to go even further and to fight against this bill on our behalf.

I have a letter from Mrs. André Hébert, also from Victoriaville. Indeed, I could spend all afternoon, all evening and again all day tomorrow reading letters. I simply wish to read this one, to show that the people in our ridings are perhaps not as stupid as some hon. members think they are because they are very well informed and they know where the present government wants to lead us with this bill.

Mrs. Hébert, of the rue Académie, in Victoriaville, tells me in her letter that I received this morning, and that I will read here—it is rather short—in order to show clearly to hon. members that they should think about it twice before they vote for this bill under the thumb of the Prime Minister,

since they would then be doing something criminal. I quote:

> No, life should be protected, with the utmost care from the very moment of conception. "Abortion and infanticide are loathsome crimes."
>
> You, as members of the house, will have to vote on this overcrowded bill. In my opinion, it should be rejected. That is what the people would do if they were used to assume their responsibilities.

Mrs. Hébert puts forward the three following arguments:

> 1. You want to respect the life of criminals and make abortion legal.
>
> 2. The experience of other countries is quite enough for us.
>
> 3. Abortion cannot be considered just as a means. The best solution is birth control.

She ends her letter by saying this, and I quote:

> I should like to have more information about the contents of the bill in order to study it. The public is hardly given any information about this bill. It should be well informed.
>
> Mme André Hébert
> 108 Académie
> Victoriaville.

I could quote still other letters, Mr. Speaker. I even have here some petitions, but I do not want to waste the time of the house.

I simply want to make a few comments before concluding, Mr. Speaker.

First of all, the present government, the Minister of Justice, and Liberal members—and, I make no bones about it, Progressive Conservative members as well—are all afraid of having to face people with this bill. They are afraid of asking the people what they think of it. They are afraid of giving them information on it. That is why the government house leader and government members would like the bill to be adopted as soon as possible, without discussing it in detail, without really amending it. Last week, we even saw a Liberal member complain that he could not amend a bill in committee.

Now, Mr. Speaker, what will become of this bill C-150 if it reaches the committee stage? If what the member for York East (Mr. Otto) said is true, that is that government members were ordered not to amend bills in committee in order not to hold up the business, bill C-150 will be passed without resistance because the members will have been afraid to assume their responsibilities, and what is worse still, because they will not have consulted the people.

Mr. Speaker, I would not like to be in the shoes of the Liberal members who tomorrow will have to answer to their electors; for even now, we are starting to see that the people have had enough of anti-human legislative measures which do not really meet the needs of the people. Indeed, our real problems are family, economic and social problems, and the present government is doing absolutely nothing to alter the situation.

I must not take up any more of the time of the house, but before I bring my remarks to a close I call again for a free vote on this bill, so that every member of the house, regardless of party, religion, or politic allegiance, can vote freely, without running the risk of overthrowing the government.

To my mind, we would then be showing humanitarian feelings, proving how serious we are, instead of being irresponsible and cowardly as we are now.

I should like to hear people speak up on this bill according to the dictates of their conscience and not those of their leader.

I feel that there are times in life when human interests must take precedence over those of the party. It is most unfortunate that in this house—

Mr. Gaston Isabelle (Hull): May I put a question to the hon. member?

Mr. Fortin: Certainly, Mr. Speaker.

Mr. Isabelle: In his fine speech, the hon. member for Lotbinière told us, if I understood well, that thanks to modern inventions, such as incubators and a many other devices, it was possible to preserve life or to extend it. Did he actually say that with those methods, the life of a four or five month foetus could be saved?

Mr. Fortin: Mr. Speaker, I did not catch the question of the hon. member for Hull and I apologize for it. Maybe the member for Hull is not used to speak in this house, because he does not speak loudly enough. Could he repeat his question?

Mr. Isabelle: I am going to put it again in French, Mr. Speaker. Did the hon. member for Lotbinière say in his speech that, with the means at the disposal of practitioners, and thanks to scientific advance 4 or 5 month-old feotuses can be saved?

Mr. Fortin: Mr. Speaker, I shall reply to the hon. member for Hull, who is also a doctor, that he knows the answer himself. I shall tell him that I was not afraid, as I said earlier, to consult people.

Therefore I have met several doctors in the district of Lotbinière. Last week, I met specialists of the University of Ottawa, and I even met the archbishop of Ottawa, Mr. Speaker.

Mr. Marceau: That is easy to see.

Mr. Fortin: We shall talk about this later.

At any rate, according to my information it is medically proved that a child born prematurely at four or five months could actually be saved.

When my wife presented me with an heir—a Créditiste, if you please—shortly after the election, there was at that time, in the next room, a five-month premature baby. This child is very well today.

I think, Mr. Speaker, that some medical research is being conducted in this field. Biologists recognize that it is actually possible to save human lives while the foetus is in the mother's womb.

A while ago, Mr. Speaker, while I was trying to answer this question the hon. member for Hull had asked me, a Liberal member, who did not identify himself, said it was obvious when I mentioned that I had met the Archbishop of Ottawa last week on this subject.

Mr. Speaker, it is obvious that I am not afraid of expressing my beliefs, but those people are afraid to rise. They do not dare state their principles, if they have any. I wish they showed as much courage as the Créditistes, and expressed their convictions, if they have any.

Then, Mr. Speaker, I would say that members of the New Democratic party attended that meeting with the archbishop of Ottawa, and I congratulate them for that. In fact, one of them had been invited and made it a point of being there, even though the New Democratic party is in favour of the bill.

I also accepted the invitation; however, no Liberal member took the trouble to go. They are afraid to contradict the Prime Minister who muzzles them. Therefore, Mr. Speaker, I challenge any Liberal member to rise and tell me whether they have personal convictions or not.

Mr. Speaker, we are not living in a totalitarian country and although we are familiar with helicopters, "trudeaumania" and everything else, I think that hon. members are

intelligent enough to vote according to their conscience. I have much respect for them, whether they are members of the N.D.P., the Conservative or the Liberal parties. I have very good friends in those groups, Mr. Speaker, and I think it would be possible to have an intelligent and human legislation.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I rise on a question of privilege.

Mr. Fortin: Mr. Speaker, before completing—

The Acting Speaker (Mr. Faulkner): Order!

Mr. Fortin: I have not entirely finished, Mr. Speaker—

• (3:30 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Lapointe on a question of privilege.

[*Translation*]

Mr. Marceau: Mr. Speaker, for the information of the hon. member for Témiscamingue (Mr. Caouette), I am not afraid to say that I made that comment earlier. I did, and I am not afraid to say it, because I will speak on the bill. I will try to prove that we were unjustly attacked and that our vote is not guided by the will of the Prime Minister. We have enough freedom to vote according to our conscience.

Mr. Réal Caouette (Témiscamingue): You are lying, then.

Mr. Marceau: You are the one who is lying and we shall prove it to you.

Mr. Caouette: Both your hands are tied.

Mr. Marceau: Mr. Speaker, I would like to say that we were never invited to the meeting mentioned by the hon. member for Lotbinière and which was held in Ottawa. If we had been invited, we would have gone.

[*English*]

Mr. Deputy Speaker: Order, please.

Mr. Woolliams: That is the way to flush them out.

Mr. Deputy Speaker: Order, please. May I inform the hon. member for Lotbinière that his time has expired.

Some hon. Members: Continue.

[*Translation*]

Mr. Fortin: Mr. Speaker, I still have two minutes.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent of the house to allow the hon. member to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Fortin: I thank you, Mr. Speaker. I should also like to thank the house for its co-operation.

At the stage we have reached now I think that information should be supplied by newspapers, radio or other mass media. Today we live in a modern country where means of communication are extremely quick, efficient and reliable. Before passing of this bill we could easily consult a large part of the people, make some sort of sampling across Canada in order to know better and with greater certainty the opinion of the Canadian people with regard to this bill so as to make sure, if we are indeed responsible legislators, that this is a truly human legislation consistent with the needs of the Canadian people.

Mr. Speaker, once more I should like to thank the house for its kind co-operation and I should like to ask the Liberal members who object to this bill not to be afraid to stand up since it does seem that the Canadian people back up all those who object to this bill, and in 1969 a Prime Minister cannot impose his views because the opposition is fairly watchful.

I regret, Mr. Speaker, that there are not enough government members who rise and make their views known. I think that would be important. We should like to know what they think of this. We do not know yet whether they are under the thumb of a dictator.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to take only two or three minutes of the time of the house. By so doing I am not indicating my opinion of the importance of the bill because obviously the bill is of the greatest importance and is in the public interest, but it has had a full discussion. I rise at this time not to prolong the discussion but to indicate my own position at this stage of the proceedings. I have always taken the position of being in favour of a free vote on this measure.

Some hon. Members: Hear, hear.

Mr. Stanfield: When the matter was first brought before the house I took this position because some clauses of the bill involve a question of conscience for a good many Canadians and a good many members of the house. Putting all these clauses together in the form of an omnibus bill has had the effect of placing a good many members in the difficult position that they may have to vote against the whole bill because they cannot in conscience accept part of it. I have therefore favoured splitting the bill along the lines indicated by the hon. member for Calgary North (Mr. Woolliams).

More recently we have favoured a report from the committee in four separate sections which would have somewhat the same effect. We have advocated this for the same reason, that it would thereby remove a good many members of the house from the unfortunate position in which they have been placed by the omnibus nature of the bill. So the members of this party will be voting according to their own consciences.

While I have stated my objection to the omnibus nature of the bill and my disappointment that the government has refused to split it, nevertheless I will be voting for second reading of the bill and for its reference to the committee. Although I have some reservations about some aspects of the bill, I believe that on the whole it is constructive and that it certainly contains a number of measures which I favour sufficiently strongly to overcome whatever objections or reservations I have to some parts of the bill. Therefore I believe it should go to the committee.

As to some of the controversial sections of the bill relating to abortion and homosexuality, I doubt that in practice they really constitute much of a reform or will result in much change in so far as their enforcement is concerned by those responsible for enforcing the criminal law. With regard to the abortion provisions, I am not sure that their main effect will not make it more difficult in fact to obtain abortions in some of the more remote parts of the country, and I have some doubt whether the proposed amendment can be made to work equally across the country. I think this point of view has already been

expressed and elaborated upon in the house. It has been said that in fact the effect of the change may be to create inequality rather than to make abortions easier to obtain.

As to the homosexuality aspects of the bill, again I doubt that the proposed change will have any substantial effect on what is the practice in terms of prosecution. I doubt that these changes will work against the kind of prosecutions which are now in fact conducted. If it is the view of the government that society has no right to be concerned about the moral climate in private society, I do not accept that point of view. However, I do accept the point of view that the criminal law is not necessarily the proper instrument for society to use in this connection. I adopt this view particularly since this law cannot, in fact, be enforced in practice and because when a law exists that cannot be enforced it tends to fall into disrepute.

• (3:40 p.m.)

In summary, on these two aspects of the bill I would say that while there has been a great deal of talk on the other side of the house about the extent of the reform, I doubt that there will really be very much change in the practice so far as the enforcement of the criminal law in concerned. While I perhaps have some reservations, particularly with respect to certain aspects of the changes proposed in connection with gambling, I find important features in the bill which I certainly wish to support at this stage. I mention, for example, those relating to highway safety. Therefore I simply wish to indicate that I shall be voting for the bill to proceed to the committee.

Mr. Maurice Foster (Algoma): Mr. Speaker, today we have returned to the debate on second reading of the Criminal Code omnibus bill, C-150. This measure not only represents reform in many substantial areas such as abortion, breathalizer tests and gun laws, but also in the procedures of the criminal law in Canada. As such it probably marks one of the most significant changes in criminal law in the history of this country. The extent of public debate in Canada on its provisions in the last year indicates that the people of Canada are well aware of its many changes.

During the course of the debate we have heard a wide divergence of views on the many provisions in the bill. In deciding to leave the bill in its omnibus form it is my opinion that the government adopted the only practical course of dealing with this legislation. All the clauses are government measures which will be supported by the majority of the government party. This does not prevent individual members of the Liberal party from voting against a measure if their consciences prevent them from supporting it. Indeed, some have already indicated they will vote against the bill. Presentation of the bill in an omnibus form does not limit debate. Any member is free to speak on the legislation at its several stages.

The bill will receive a detailed clause by clause examination in the Standing Committee Justice and Legal Affairs Committee by very capable members from both sides of the house. The opposition will be able to propose amendments at appropriate times to any clause.

Mr. Woolliams: Yes, but does the hon. member think any of them will ever pass?

Mr. Foster: If they warrant it, maybe.

An hon. Member: That is beside the point.

Mr. Woolliams: It is not beside the point. It is the very thing that matters.

Mr. Foster: Many days of debate will be saved compared with the time which would be taken if we had to deal individually with seven different acts.

In the clauses relating to abortion the proposal simply legalizes what is effectively the status quo in most parts of Canada today. We do not prosecute doctors today who carry out abortions in order to save the life of a mother. Yet most legal authorities believe that technically these doctors are breaking the law and, this being the case, they are liable to criminal prosecution. The bill before us will legalize a situation which already exists, and in future this operation may be undertaken in an accredited hospital without penalty and in specified circumstances such as with the approval of a committee of doctors. The bill goes one step further by permitting therapeutic abortions to be performed when the health of the mother is at stake. It does not resolve one problem with which doctors are sometimes confronted where a young girl has been raped or been the victim of incest and has subsequently conceived. This is a problem which doctors must continue to work with.

A large part of the population of our country is apparently opposed to carrying reform as far as the proposals in the bill now under discussion do. The legislation we are dealing with today seems to be an accommodation of the vastly conflicting opinions within this

country. As such, it is probably the best compromise to suit the opinions of the majority of our people.

The measure of gun law control provided in this bill will be useful and is long overdue. Most people in this country are urban dwellers who use guns mostly in the hunting season. My own area of Northern Ontario is a favourite place for moose hunting, and thousands of inexperienced people flock to the bush annually. Many of them engage in careless, foolish practices such as taking sound shots. A hunter shoots into the bush because he hears a sound which he thinks is game. Often the sound turns out to be another hunter. It is hard to believe that such things happen, but the fact is that many people are carried out of the bush each year, killed or permanently maimed. The bill before us will further control the use of firearms in such a way as to discourage the careless handling of weapons.

The provisions relating to compulsory breathalyzer tests for drivers suspected of consuming alcohol beyond the level of .08 per cent are very serious. Persons thus convicted will carry a criminal record for life with all its attendant difficulties. Were it not for the amazing results which have been achieved in Britain following the introduction of compulsory breathalizer tests, I doubt that this action would be justified. But here are the results in Great Britain, and I read from an Associated Press report from London dated December 2, 1967:

> Night-time road accidents in London dropped by a dramatic 42 per cent in the first month after Britain's new drink-drive law was introduced, Scotland Yard said today.
>
> The first official figures to be released since the tests began October 9 also showed a slump in accidents in other British towns and cities.
>
> Scotland Yard said that 54 people were killed in road accidents in London during October—28 fewer than in October last year.
>
> There was a 42 per cent drop in fatal and injury accidents in London between 10 p.m. and 1 a.m., when the total fell by 324.
>
> Accidents involving serious injury totalled 835—102 fewer than last October—and the number of people slightly hurt dropped to 4,221 from 4,668.
>
> As the tests covered only three weeks of October, the figures for a full month may show an even more dramatic reduction.
>
> "There have been notably fewer vehicles on the roads at night," a police spokesman said.
>
> "The reduction in accidents appears to be due to the breathalyzer," said Stephen Swingler, minister of state at the transport ministry.
>
> "It seems clear that the new drink and drive law is having some effect," Swingler added.
>
> Under the new law, police are empowered to direct motorists to take a test involving a breath-testing device.

So the results in Britain indicate that we can save lives on our highways, and by this yardstick compulsory breathalyzer tests are justified.

The changes in this bill relating to cruelty to animals are significant. One of the most important is the provision which will prevent persons convicted of cruelty to animals from keeping domestic animals for as long as two years from the time of conviction. This restriction may be applied by a court order. I know of instances in the past where persons raising dogs for medical research continued to follow this practice in spite of two convictions for cruelty; they continued to raise dogs for sale to medical research laboratories by disposing of them through other dog raisers. The medical schools and research laboratories are unaware of the origin of these animals. The new provisions of the bill will give a magistrate or judge power to make an order completely prohibiting these individuals from keeping animals for a period of up to two years.

• (3:50 p.m.)

I am not going to attempt to cover the many other provisions of this bill at this time. I believe that the bill reflects a balanced approach to the reform of criminal law in Canada, and for this reason I support Bill C-150.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, let me say at once so there may be no mistake that, for reasons I will deal with later, I propose to support the bill on second reading, and to some extent I do so for the reasons advanced by the leader of our party a short time ago.

The main thrust of my remarks has to do with what I consider to be the very improper position taken by the government regarding the method that has been adopted by the Prime Minister (Mr. Trudeau) and his colleagues in order to bring this matter into the house and secure the views of members, representing the people of Canada, at the different stages of the debate. I think that the attitude of the government has been arrogant, authoritarian, undemocratic and downright immoral.

Any talk of parliamentary reform, of participatory democracy, of giving a new prestige and value to the work of members of parliament seems to me to be glib and unrealistic in the light of the brutal and ruthless dragooning by the government of its supporters on certain of the issues involved in

this measure. Long after these proposals have become law—and I am convinced they will become law—people will pause and remember that on issues involving certain moral and consciencious questions which should lie far outside the range of political partisanship laws were in fact placed on the statute books by most questionable means.

All too often governments explain their decisions by saying that the methods and means used are immaterial so long as they secure the passage of certain legislation. I oppose this attitude. I deplore it. I see too much of it in the way this government approaches its responsibilities. I challenge the assumption that the means are immaterial. In a democratic society they are tremendously important, and at times can even be said to outweigh the objectives. There was never a dictator who did not rationalize his actions with the statement, "It had to be done because the country needed it."

The debate has generally been a good debate of high calibre, save only that I must again express regret that in my opinion many of the government members have been inhibited in their approach to certain of the matters covered by the bill, and I think this has had a restricting effect. Nevertheless, the quality of the speeches, the sincerity of the motives, and the eloquence of the expressions which have found their way into *Hansard* have been a certain indication of the deep feelings and the strong emotions which have been brought into play not only in this house but in the country as a whole.

I am also inclined to think that the spirit which has been engendered in this debate has its foundation rooted in something even more fundamental than the issues here. Society is troubled, is stirring, is changing. People are challenging old values and are sometimes tempted to replace them with new theories which have not been tested or are not likely to be successful.

When society is in such turbulence as to seem likely to perish, it is good advice that we should seek to restore to it the principles from which it sprang. The Criminal Code, which nourishes many of the rules that govern society, should always be related to justice, and truth is the nursing mother of justice and must always be the light which guides a people groping to find their way.

Members from both sides of the house have delved into the merits of many of the proposals and I have but a few simple comments to make. I naturally reserve the right to make further comments after the bill has been through the standing committee and has come back to the house. As a matter of fact, under the procedure we are now following we are, in effect, taking a step in the mechanical process of moving this bill on a stage so that in committee it may be examined in detail and members may have the opportunity to consider it and to propose amendments that then come back to this house.

In reviewing the comments which have been made may I say I have nothing but respect for the differing points of view and opinions which have been expressed, and I do not think it right that any hon. member or group of members who cannot accept views which have been otherwise expressed should in any sense seek to disparage these alternative points of view. Certainly we must give the fullest effect to views of a religious nature offered validly and sincerely, particularly if those views are honestly held by a considerable percentage of our population. There is today, alas, too great a tendency for society, like a river, to find ways around the hard rocks of morality. Proposals must be examined in the light of their effect on the preservation of the basic unit which western civilization was founded, namely, the family. I do not regard myself as being among those who feel that the family has outlived its usefulness and may well be quietly rejected at this time. So if society does require the retention of the family we must be prepared to recognize and give effect to certain moral principles which are essential for that purpose, even to the extent of declaring certain acts to be a crime. This, I think, is the whole approach of our criminal law.

When people in their infinite wisdom and through the actions of their representatives have concluded that the continuation of certain specific acts which heretofore have been only moral or social offences have now become so widespread and so much a danger that they must be raised to the quality of a crime and subjected to regulation and punishment, then this must be so. A sin can become a crime if the act has become or is so abhorrent and repugnant to human belief and is so likely to cause a deterioration in our social behaviour that it must be brought under control. I say this because some of the statements that have been made in the house, with some of which I do not agree even though they may have been expressed by people who have come to the same conclusion I have by other means. This, of course, is not always an easy thing to do. It is in coming to determine what is a crime or what should not

be brought into the category of a crime that we find ourselves parting company. I say this because, even though I may not agree with the views that have been placed on the record by some members, or with their assessment and evaluation of the facts, many of the people who have so spoken have based their convictions on morality and religion. I respect this position and I understand and appreciate the quality of their argument.

Let me conclude this portion of my remarks by repeating that I intend to support this bill on second reading. I do so despite the fact that I have very definite and grave reservations, as well as strong doubts, about certain aspects of some of the clauses contained in the amendments to the Criminal Code. People have said there is a right to personal independence. I prize that right. But let me say this—and here I think I am paraphrasing what some philosopher said—that the body we use to traverse the slim isthmus between birth and death is not a completely private carriage. Society has a certain interest in it and in what we do with it.

• (4:00 p.m.)

I must say—I hope my remarks will be accepted as an objective viewpoint but I must make them all the same—that it is not as easy as some have suggested today to have absolute personal independence and freedom. The curse of the overplanned society is all about us. Every day, in parliament and in the legislatures of this country, governments are encroaching on our freedom of choice to live as we like. I do not like this. I oppose it when and how I can. Those who approve and support restraints on independence and curbs on the social and economic freedom of mankind do not make the best advocates for some of the changes which are proposed in this measure. I say this not only because of some of the things I have said previously but because I have the feeling that all too often the government has not made any real attempt to meet squarely the various wrongs and injustices which criminal law should always be aimed at.

The feeling persists with me that there has been an effort to try to show that this government and party are progressive and forward-moving, that they have cried out and exclaimed about change and progress and said, "See how fast we are going," while all the time keeping an eye on public feeling and public approbation and trying to cover the widest possible spectrum of what, in the Liberal party, passes for popular support. This is always our difficulty—the eternal struggle between right and wrong.

That is simple to say. We can generally locate wrong but we are not always sure of how to remedy it. Again, the punishment of wrong will not necessarily result in the triumph of right. For those reasons it is improper for any government to try to make political capital out of some of the issues which have been brought forward in this bill. This, I think, is where the government falls down. They have this inordinate preoccupation with things which are new. To be new, Mr. Speaker, is not always to be right.

It has been said that we should so arrange things that we adopt new views only when they appear to be true views. Thus, when I see the government's overly political approach to this issue, it seems to me that this administration is beginning to emit an odour of mild decay. It is simply not good enough to look at these positions and say that this is all we can do at this time and that circumstances are against us. Man is not the creature of circumstance. Circumstances should always be the creatures of man, and any government which forgets this does not deserve to continue in office.

In viewing this measure I have tried to look at the over-all picture. A great deal of general good will flow from the vast majority of proposals put before us in this measure. Much benefit will flow from it to millions of people, and for that reason I support it. My only regret is that the government did not see fit to include a great many more proposals of reform with regard to the substantive and procedural aspects of the Criminal Code. In the light of existing criminal law jurisprudence based on decided cases, of new discoveries and experience in other lands, I submit we are woefully far behind a great many other democratic societies which have made improvements and discovered them to be effective and useful. Nevertheless, knowing that so much good will flow from these general proposals I must support the bill despite the fact that certain, particular measures contain proposals which I either reject or which do not meet the real problem in each instance.

I hope that certain changes will be made in committee. This hope, of course, is a faint one in the light of our recent experience when the hon. member for York East (Mr. Otto) stated his disillusionment in no uncertain terms.

Mr. Woolliams: He was very truthful.

Mr. Baldwin: The measure of diluted, dictated democracy conjured up for us in that epidode does not give me too much confidence that the government will permit its docile supporters to introduce any meaningful changes. Nevertheless, in the light of the views I have expressed and bearing in mind with deep respect the contrary views of others, I must support this measure at its second reading stage. May I say that I am proud to be a member of this party which will, as indicated by my leader and by the hon. member for Calgary North (Mr. Woolliams), permit a free vote on those issues which must bother the consciences of many.

I end by saying to the Prime Minister, the Minister of Justice and other members of the government that if they do not listen to what we on this side of the house have said and to what supporters like the hon. member for York East have said, the mild odour of democratic decay which hangs over their party will soon become the stench of decomposition and dissolution.

Mr. John Gilbert (Broadview): Mr. Speaker, I welcome the opportunity to make a few comments on Bill C-150. I am a member of the Standing Committee on Justice and Legal Affairs, and when the bill is referred to the committee we shall study it in greater depth.

I had hoped to see the Minister of Justice (Mr. Turner) here this afternoon. He is referred to as the boy with the silver spoon in his mouth. Since I am sometimes known as the boy with the wooden spoon in my mouth I thought, because of our differences in family, financial standing and social and educational backgrounds, that we could carry on a sort of dialogue this afternoon and recount our different experiences which stem from our different walks of life.

Many Canadians have said there is a law for the rich and a law for the poor, probably because of experiences in encountering the law or from reading or hearing of the experiences of others who have had dealings with the law. Many may hold this opinion of the law because of the narrow base on which it rests. The criminal law, in particular, says that protection of the person and property is paramount. As is well known, in the past most criminals came from low income groups in our population. These days, however, they come from the more highly sophisticated sectors of society, as is evident when one studies cases of stock fraud and fraudulent bankruptcy. Clearly, criminals today may also come from the higher income groups.

In the past the criminal law was mainly concerned with retribution. The law dealt out revenge. Although in modern times a timid approach has been made toward reforming and rehabilitating offenders, I submit that we have not gone nearly far enough in this direction. We have placed too much emphasis on the guilt of offenders and too little on why offences have been committed and what corrective measures are necessary to solve our problems.

I remember what Judge Stewart and Dr. Blatz said about juvenile delinquency when I attended law lectures at university 25 years ago. They suggested that we ought to place less emphasis on guilt and that we should set up a panel of doctors, psychiatrists, psychologists, sociologists, members of the clergy and members of the business world to plan a strategy that would bring about the reformation and rehabilitation of young offenders. This idea has slowly evolved in the juvenile courts, and we should attempt to apply this approach to the adult courts by experimenting with young offenders between the ages of 18 and 25 years. These are the critical years of youth. Studies have shown that if a young man does not get into trouble in his tender years the likelihood of his committing an offence in his later years is very remote. Therefore this age group is of vital importance.

• (4:10 p.m.)

This does not mean that we should ignore men over 25 years who have committed offences. We have to set up decent prisons. We have to have proper training and retraining programs. We have to have an adequate parole system. We have to have after-care with regard to employment. In this regard I pay respect to Harold King who has a farm outside Toronto and attempts to help young men released from prison find their place in society. It is a shocking disgrace that men like him cannot call on the public treasury to assist them in their rehabilitation work.

This is why we of the New Democratic party, although we support the measures in the bill, would supplement it by introducing immediately measures such as the abolition of corporal punishment, the expunction of criminal records, reform of the bail system, the right to legal counsel at trial and a prohibition against wiretapping. These are not mollycoddling measures. They are necessary steps to develop right attitudes and respect for our laws, for the police and others who enforce

and administer the law. However, we must start with youth.

I recall that in 1966 the then solicitor general tabled a report on juvenile delinquency. I also recall a conference of social workers at Lake Couchiching in May, 1967. These social workers, after making a detailed study of the report, anticipated great changes in the treatment of youth. Thus far there have been no changes. There has been inaction by the government, and more particularly a general apathy on the part of the present Solicitor General (Mr. McIlraith).

I rather admire the Solicitor General for some of his past performances but I find very little to admire in his approach to amendments to the Juvenile Delinquents Act. I find very little to admire in his approach to the expunction of criminal records.

Mr. McIlraith: What do you know about either of those subjects?

Mr. Gilbert: We appreciate that the former solicitor general presented a memorandum to cabinet last spring containing proposals with regard to the expunction of criminal records and the reform of the bail system, and prior to the election had the consent of the cabinet to proceed with such amendments. But almost a year later we have had no action with regard to these vital areas of criminal law. Possibly we might have a reorganization of the Department of Justice and the Department of the Solicitor General so that one minister would be responsible for both departments and provide the cohesion and direction needed at this time. It may be that the Prime Minister will help us out in this dilemma by appointing the Solicitor General to the other place. In the meantime we shall have to persuade, cajole and use all means to get him to act in these vital areas.

The federal government has an over-all responsibility to society to bring about decent housing, full employment opportunities, decent levels of income, and educational and cultural opportunities. The federal government cannot opt out of its responsibility to the individual in society to help him to fulfil his social and material needs. Measures of this kind form the underpinnings of a just and civilized society, and until we attain them we shall have to make the best of the halfhearted measures that come from the government.

Having made these general remarks I would now like to deal with the bill. These amendments have been referred to as catch-up measures. Nevertheless we in the New Democratic Party welcome them. They represent a timid attempt to update the law. They are at least 15 to 25 years behind similar reforms in other jurisdictions. We in Canada are never leaders in reform; we are always followers.

My colleagues have set forth my party's position on the main areas of reform regarding abortion, homosexuality, lotteries, firearms, etc. We have recognized the honest differences among our members arising from problems of conscience and religion. We have stated that there will be an opportunity for all members to put forward amendments when the committee has made its report to the house, which will obviate the necessity of voting for the entire package.

With regard to the main problem of abortion some say that there is no change in the present law by the addition of the word "health" in the phrase that continuation of the pregnancy would be likely to endanger a woman's life. In the minds of some hon. members the addition of the word "health" only brings the law up to date as interpreted by the courts. This may be so but to me it creates a different atmosphere and different attitudes. We are beginning to regard the problem of abortion as a human or social problem rather than as a criminal act. No Canadian wants a continuation of backstreet butchery. Most Canadians want women to have doctors, clergy and social workers available to think the problem through with them and to bring forth their understanding, compassion and guidance. Therefore this amendment is a step in the right direction.

It seems to me that we can analogize the abortion amendment to our present law on divorce and its relationship to the divorce law of England. In the divorce field we have not proceeded as far as England has, where the breakdown of a marriage is the main ground for divorce. We have not gone that far. Neither have we gone as far as England in our approach to the law of abortion but, who knows, with a little experience, a little education and persuasion we may be able to update in the near future not only our divorce law but the law concerning abortion. We may again refer to the approach of the English jurisdiction for guidance.

With regard to homosexuality many have said that it is necessary to get the state out of the bedrooms of the nation.

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

Mr. Gilbert: Certainly.

Mr. Valade: Could the hon. member tell us how the amendment with respect to abortion is going to get rid of backstreet butchery?

Mr. Gilbert: I appreciate the question of the hon. member and I would respectfully suggest that with this amendment we are developing a new atmosphere and new attitudes with regard to abortion. As I said, when a young woman is pregnant she will now be able to have the assistance of social workers, doctors and the clergy to help her think through the problem so that she can make the right decision. We have not gone as far as the law in England goes. We have not instilled confidence in our young people with regard to the pregnancy problem, but with the patience, understanding and encouragement of the hon. member who has just asked me this question I am sure we will attain maturity with regard to this problem.

• (4:20 p.m.)

With regard to the problem of homosexuality I have said, as have many Canadians including the Prime Minister, that it is necessary to get out of the bedrooms of the nation. Attitudes are changing with regard to homosexuality. In the past homosexuals were looked upon as lepers by society. People had almost the same attitude toward homosexuals that some of the early Christians had concerning lepers. Now people have an attitude of regret rather than revenge. When one reads the Wolfenden report one appreciates the understanding and compassion of the members of that committee in dealing with the problem. Experience has shown that very few first offenders charged with an offence involving homosexuality have been sent to prison. The report stated that only 30 per cent of first offenders in England were committed to prison. My experience in Canada in this field indicates that most first offenders have a fine imposed upon them. Many of them are placed on probation with a term attached to the probation that they attend a forensic clinic for treatment.

One of the recommendations of the Wolfenden report was that information should be obtained with regard to first offenders before a magistrate or judge imposes sentence. This is an excellent recommendation in view of some of the psychiatric and psychological problems first offenders have. One of the problems with which many Torontonians have been confronted in respect of homosexuality is the frequency with which homosexuals hang around public washrooms and lavatories. In fact, members of the morality squad in Toronto take up positions in washrooms. They bore a hole in the wall and by that method of detection have brought some homosexuals to court. This seems to me to be a rather nauseating approach to criminal detection. This is one reason I welcome the change. I think many members of the morality squad feel ill at ease when applying such detection methods.

Mr. Woolliams: You are not suggesting that this bill makes that permissive.

Mr. Gilbert: No, I am not.

Mr. Woolliams: Then why do you bring it up?

Mr. Gilbert: Mr. Speaker, I have just had an interjection from the hon. member for Calgary North. I believe he is saying this amendment will bring about no change in the method of detection. I remind the hon. member that there will be a new attitude and approach to this problem and that the same number as in the past will not be hanging around these places. There must be protection for young persons who use the public parks and public lavatories. It has been suggested in the Wolfenden report that municipalities pass bylaws to prevent loitering by homosexuals around public washrooms. The Wolfenden report also indicates that homosexuality is not a disease but that total reorientation from complete homosexuality to complete heterosexuality is very unlikely indeed. As part of the corrective treatment they indicate there should be, first, a change in the direction of sexual preference, second, a better adaptation to life in general and, third, greater continence or self-control. Those are some of the corrective methods suggested in the Wolfenden report. They also indicate there is a place for the psychiatrist, the clergyman, the social worker and the probation officer in helping to deal with this problem.

In respect of lotteries, personally I am opposed to lotteries being conducted in Canada, especially as a device to collect moneys to help finance our social programs, hospitals, medical care and education. When one hears about the experience of countries like Ireland which have had lotteries for many years one is tempted to think it is a tragedy that

Canadian money is going to Ireland instead of remaining in Canada to be used for social purposes. If one were to examine the hospital and educational institutions in Ireland one would very quickly realize that they have made little or no advance in these areas. When one thinks of the huge amount of money collected and the small amount used one cannot help but be greatly discouraged by this attempt to meet the cost of social programs. The experience in New York State, and I would think in the city of Montreal, has shown that this approach is not one which has met with success.

I believe that lotteries create an emotional instability among members of our community. In many instances, because money is spent on gambling families are deprived of some of the necessities of life. It is a rather sad commentary to note that churches, which are the guardians, educators and teachers in respect of our moral and spiritual life, should use bingos and lotteries as a means of financing the building of churches. I do not think most Canadians like to think it is necessary to use such methods to build churches. I for one am strongly opposed to the lottery clauses in the bill.

With regard to the provisions in respect of the breathalyzer test I am sure most members are in agreement with this because of the murder on our highways which in many instances is due to the use of alcohol. One of the members from British Columbia set forth the practice in that province whereby the police, after stopping a person whose ability has been impaired, give him an opportunity either to park his car and go home or take a breathalyzer test. The person must surrender his driving licence for a period of 24 hours. Considering that a conviction carries with it restriction in respect of employment, travel and bonding, I would hope members of the committee would give serious study to the approach taken by British Columbia.

A recent survey by the Ontario Addiction Research Foundation shows that the greatest danger to high school students in Toronto is not drugs but alcohol. Robert Robinson, the foundation's director of education, stated after results of the survey were known:

> There is no doubt that alcohol is more dangerous than marijuana, glue-sniffing and L.S.D., because it is more widely used and because of its long-term effects.

• (4:30 p.m.)

One appreciates the changes in the law in other jurisdictions, more specifically in Great Britain. The note I have indicates that authorities in Great Britain believe that under the new U.K. drinking law the breathalyzer may have saved 1,000 lives in the first full year of its use. For the ten months to the end of July deaths were down 1,075 or 12 per cent from the previous comparable period. Cases of serious injury dropped by more than 10,000, or 9 per cent.

I think this is the reason most Canadians are in agreement will the change involving the use of the breathalyzer. We welcome the amendment bringing about improvements to the Parole Act. I would hope that when we reach the committee stage we will invite representatives from the Canadian Corrections Association, who have already filed a brief in respect of this matter, to attend the committee and inform members of their views as to further amendments to improve the act. We also welcome the changes in respect of summary conviction appeals. Any lawyers who have had experience in this field I am sure have found many hang-ups, and I congratulate the government for attempting to correct this problem.

We appear to be at the cross-roads of society. We need a new lift and a new outlook. This is why so many Canadians are looking to the Minister of Justice and the Solicitor General for the development of bold and courageous initiatives to update the law so that Canadians will be able to say they live in the most updated community in the world.

[*Translation*]

Mr. Gilles Marceau (Lapointe): Mr. Speaker, having listened to the comments made by the hon. member for Lotbinière (Mr. Fortin), I thought it would be only natural for a government member representing a constituency in the province of Quebec to set forth his views on the bill now under consideration.

I do not believe it would be advisable to prolong the debate. Since this bill will eventually be referred to the committee on justice and legal affairs, there will likely be lengthy discussions there and, on third reading, there will probably be other comments in the light of the conclusions the committee will have arrived at.

However, at the request of the hon. member for Lotbinière, I wish to tell him I have taken as an insult his false utterings as regards the government members.

Of course, I have not the advantage of having a well-prepared speech. But this will perhaps enable me to give my own opinion rather than the views of others.

I must admit, Mr. Speaker, if that may please the members of the Ralliement Créditiste, that at the outset, I had some doubts about the value of this bill. However, I thought I ought not rely on my personal opinion and I somewhat followed the method used by the honourable member for Lotbinière. I too held consultations throughout my constituency and throughout the ones adjacent to the Saguenay-Lake-St. John area.

I will say at the outset to the honourable member that I received a few letters, from my constituency only. To be honest, I must say those letters were not in favour of this bill, however, after consultations with civil and religious authorities, I must say quite frankly to my honourable friend that I was surprised at the comments I received.

I expected that the striking argument of our friends of the Ralliement Créditiste to the effect that life was a gift of the utmost importance and that morals should prevail in the vote that will be taken would prove to be the most convincing one.

To my great surprise, I got the following answer: that bill represents a permission, not an obligation. And by way of answering the hon. member for Lotbinière who said that there existed the following dilemma: either we were stupid, we members of the government, for not intervening in this debate, or we were inhuman. I think he forgot another option. Either the members who do not intervene are stupid or they are inhuman or idiotic. I regard as imbeciles those who cannot understand the extreme importance of this bill which represents a landmark in the Canadian life. I regard as an imbecile the man who could not make the people in his riding understand that this legislation was extremely advantageous to them because it opened new horizons to them and allowed them to make a distinction between religion, morals and the law.

Some hon. Members: Hear, hear.

Mr. Marceau: Mr. Speaker, they din into our ears the principle that life is the most precious thing. I quite agree, and this is why I am in favour of this bill. I consider, Mr. Speaker, that although I am a Catholic—and by saying so I probably want to avoid every attack that could be made against me about my former intervention because I am a Catholic and I am proud of it—this does not prevent me from considering those who practice another religion as not following the right track. I do not think I can assure that I have a monopoly on truth, but I believe, on the other hand, that if a person is pregnant and believes that her morals and her principles allow her to ask for an abortion, I cannot in all conscience let her die because I am a Catholic and therefore against abortion.

I consider, Mr. Speaker, that it does not belong to me to pass judgment on the intentions of others who do not practice my religion. From the moral point of view, I am not in favour of abortion, but as a legislator in this house, I think that in our pluralist society everybody has the right to follow the principles that he regards as just and I do not think I have the right to prevent him from doing what he wishes. Indeed, I think that the bill under study takes into account the Canadian context in which we also live in the province of Quebec.

• (4:40 p.m.)

I would not say I have consulted everyone of my constituents, for this would not be true, but I am happy to say that I have probed rather deep into the matter and had quite a number of consultations, regardless of the political allegiance of my correspondents.

Of course, as a representative of the riding of Lapointe, it may seem rather strange that I should speak in favour of the government. I understand my friends of the Ralliement créditiste have always been accustomed to hear, in this riding, a voice expressing distrust towards the government in power, but, this does not mean that my predecessor, whom everybody knows, had only shortcomings. On the contrary, I will say this about him that he was sincere and understood in his own way the role of French Canadians in society.

I do not necessarily share his opinons but, I would not go so far as labelling him as some people have. It is the first time I have the opportunity to talk about him and I must say I am always glad whenever I meet him. Even though we do not share the same views this does not prevent us from being what I would call casual friends.

Mr. Speaker, I shall not say that the bill under consideration is perfect, nor that I endorse all its provisions. The breathalizer test, for instance in my opinion, implies very important principles which tend to change the entire picture of our criminal law. As most members know, the accused is presumed innocent. This is the basic principle of our criminal law, a principle that we have somehow imported from England, and, in my opinion, it is a good one, although it differs completely from the French principle of law whereby the accused is presumed guilty.

Now, in this new bill, the accused is presumed guilty and it is up to him to defend himself and prove that he is innocent of the charge laid against him.

I must say that I have certain scruples about this, perhaps as a lawyer and as counsel for the defence. But, on the other hand, considering the number of accidents we deplore in Canada, and considering the principle outlined by the Minister of Justice, (Mr. Turner) to the effect that he who drinks must not drive, we are confronted by a drastic principle, and under those circumstances, I might be inclined to support government members for that reason. I must admit however that some questions need answering and I trust that members of the opposition and my other colleagues of the government will enighten me on the advantages of such a measure, and on the possibility of perhaps making the law more efficient and more acceptable through other means.

All this to say that, contrary to what my hon. friend for Lotbinière (Mr. Fortin) said, I do not tag along behind the Prime Minister and I shall not vote even if the Prime Minister (Mr. Trudeau) were to tell me to do so. (*Laughter*)

Some members smile across the way; I wonder if they could say as much.

I accepted freely to join the Liberal team and if ever I realize that I must forego my freedom of action, my free vote, I shall not hesitate to go back home. But I am still confident within my party, there is still enough freedom and honour for me to be allowed to vote according to my conscience and convictions.

I feel that is an insult for the prime minister, who has given the impression of being a sincere man to be told that he is capable of imposing his will upon the members.

Knowing the sense of humour of the hon. members for Lotbinière and Témiscamingue, I am sure that in making those assertions they wanted to tease us.

To my mind, Mr. Speaker, in the case of paroles, the bill does not go far enough. A while ago, an hon. member mentioned that the bill should allow the destruction of criminal records after a while, and that there was a recommendation to that effect. I want to state emphatically that in my opinion, such a provision should be included in the bill. I am in a position to know, Mr. Speaker. As a matter of fact, some people have come to me with a criminal record going back four years. They were turned down from interesting jobs in spite of their qualifications, simply because they had a criminal record going back several years.

Mr. Speaker, I believe that the rehabilitation of convicts is essential and that we should do something in order to enable those people, especially young people who have made a mistake because they were influenced by others, to rehabilitate themselves and take back their place in our society.

In the lottery field, Mr. Speaker, I must say that I heard the arguments of the previous speaker who is against lotteries. I should say that the problem is not so serious in the province of Quebec, at least in my area. I have heard favourable comments about this question, but when I consider that lotteries could become a means of taxation, I am perhaps not ready to accept such a view for the time being, and I hope I will get some clarification in committee and through discussions with my colleagues, who could perhaps convince me that this would be the best solution.

To sum up, Mr. Speaker, I think I represent the opinion expressed by the majority of my constituents when I say that I am in favour of this legislation. I should add, Mr. Speaker, that at first I was not in favour but after consultation I think it is my duty to indicate to this house that I shall vote for this bill, but that I hope we shall have the opportunity in committee to bring in some useful and efficient amendments in the interest of all Canadians.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I did not intend in a definite way, to participate in the debate on Bill C-150.

I heard this afternoon my colleague, the hon. member for Lotbinière, deliver a magnificent speech that he had prepared himself and I draw the attention of the hon. member for Lapointe (Mr. Marceau) to that point.

Again for the information of that charming colleague, I shall tell him that all members of the Ralliement Créditiste are able to prepare their speeches themselves, and speeches clever enough to retain the attention of the house, speeches that mean something, even about an omnibus bill which deals with abortion and all kinds of things.

I understand, as the hon. member has just said, that the bill will be sent to committee, after the vote on the motion for second reading. But, in committee, Mr. Speaker, what happens in this house happens all over again.

The government is still in a majority. That is the point we come to with its decision taken in advance. Even if we introduce amendments, nothing will ever be changed, for it is the government which leads the way, within the committee as well as in the house, because the government holds the majority. That is why I always stated and I still do—that a government in a minority is more helpful to Canada than a government in a majority that enforces its opinions, as is the case nowadays.

• (4:50 p.m.)

Mr. Speaker, the hon. member for Lapointe said that he also had consulted civil and religious authorities, and that the bill was opening new horizons. We have been hearing about abortion, homosexuality, etc. for a long time. However, it is the first time in Canadian history that those matters are dealt with in legislation. I would say that the bill constitutes a general abortion, even if we asked that it be divided.

With regard to lotteries, the bill shows that it will be the abortion of the financial system.

Some hon. Members: Hear, hear.

Mr. Caouette: With regard to carrying weapons, that is a very important question. It might be considered as the abortion of understanding between individuals.

Homosexuality is in some way the abortion of marriage between a man and a woman, and not between two men.

With regard to the breathalizer test which makes it possible to know whether an individual has been drinking or not, it is the abortion of sobriety or of breweries, as the hon. member for Lévis (Mr. Guay) said; his area has experimented the abortion of breweries.

Parole is the abortion of justice.

Mr. Speaker, this is a bill of abortion.

Now, getting down to business, this afternoon the hon. member for Lapointe complained of vicious attacks made by the hon. member for Lotbinière who described exactly what is taking place. The hon. member for Lapointe rose and expressed his opinion; he was against the bill at the beginning and is not yet for it. He still does not grasp all its consequences, all its implications, but he informs us that he will vote for it and that it is a matter of personal conscience.

A few weeks ago, Pope Pius XI declared, I mean Pope Paul VI—I often quote Pius XI to enlighten my friends on economic questions—that conscience must not be permitted to choose whatever path it pleases, that it must be guided, for without guidance, chaos ensues. If the human conscience is not guided, we will witness protest movements, such as we are witnessing now, and bomb explosions in the very heart of Montreal. If a man's conscience tells him to go and place a bomb at the stock exchange in Montreal, he will go. Personal conscience moves people to become enemies. Why? Because we have neglected to give such conscience the guidance it needed.

The men in their forties or fifties have received conscience-guidance from their parents at an early age, from their teachers during their first years of schooling, and later on, from their university professors.

At that time, we protested in our own way, for example against the fact that you could not smoke during recess, or against being followed by a supervisor. Still, one must admit that the guidance we received in matters of conscience has made responsible citizens of our generation. We do not regret the education we received. There existed then guidance for the conscience, a respect for authority, which no longer exist today. And what

we are witnessing now are the results of too much freedom of conscience. Let us live according to our own conscience. To a young 17-year old boy we say: live according to your conscience. They are still in diapers, but they are told to act according to their conscience. What a strange political philosophy.

It is for those very reasons that one sees revolutions, wars, anarchy, etc. It can be explained by the lack of authority of those who are supposed to use authority. When the authority has no respect for itself, situations like the present one will arise. The authority is mainly afraid of losing votes.

Mr. Speaker, did the Prime Minister of Canada (Mr. Trudeau) draft this bill? Pressure must have come from some quarters. From where? I have not made suggestions to the Prime Minister, nor have the Liberal members. They are not the ones who suggested to the actual Prime Minister, when he was Minister of Justice, to bring forward the original Bill C-195. I am convinced there are powers at work behind the scene who have drafted the bill and compelled the government to put it before the house. Today we are receiving letters of complaint about this bill.

I am sure the Leader of the Official Opposition (Mr. Stanfield) will vote in favour of the motion for second reading of the bill and reference to the committee. He knows the opposition will not be able to do anything in committee. So it is a lot of nonsense. Tonight on the C.B.C. network, we shall hear our usual loud-mouths say: The hon. Leader of the Opposition is in favour of the bill on second reading, so it can be discussed in committee. But he will not even be there to discuss it in committee.

An hon. Member: It is true.

Mr. Caouette: It is true, Mr. Speaker. A Liberal member has just said that I am right. I know that there are some Conservative members who agree with me.

Mr. Speaker —

Mr. Valade: The Prime Minister will not take part in the debate in committee.

Mr. Caouette: At the next election, the Prime Ministeer will not be there either! During the election campaign last June, did any Liberal member consult the members of religious orders,—brothers, fathers, nuns —to ask them what they thought of Bill C-150?

Some hon. Members: Yes.

Mr. Caouette: Mr. Speaker, I hear some hon. members say "yes". Why do they not rise from their seats to tell us what the members of religious orders said to them at that time? The Liberals told them: You must vote for the Liberal party, it is the great national party par excellence. At that time, the parish priests, the curates, the brothers and the nuns all fell for those sweet words, but when they voted for the Liberal party, they voted for this bill respecting abortion that is now under consideration.

Some hon. Members: Hear, hear.

Mr. Caouette: Fortunately, everyone did not fall for that sweet talk, in all parts of the country. In my area, the nuns know for whom to vote, as well as the members of religious orders, the parish priests and the curates. These people know that I say exactly what I think and not what someone else thinks. I believe this bill should never have been introduced in the house.

Mr. Speaker, may I say that it is five o'clock?

[English]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Compton (Mr. Latulippe)—Canadian Economy—remedial measures contemplated by government; the hon. member for York South (Mr. Lewis)—Indian Affairs—Yellowknife, N.W.T.—regulations in Akaitcho Hall; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Public Buildings—Bath-Millhaven federal prison complex.

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

Canada Elections Act

PUBLIC BILLS

CANADA ELECTIONS ACT

AMENDMENT RESPECTING AGE OF VOTERS

Mr. Lorne Nystrom (Yorkton-Melville) moved that Bill C-21, to amend the Canada Elections Act (age of voters), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, at this time I take pride in introducing Bill C-21, an act to amend the Canada Elections Act with regard to the age of voters. The bill, if passed, would reduce the eligible voting age in the whole Dominion of Canada from 21 to 18.

• (5:00 p.m.)

At the outset I want to make an assertion which is essential to my cause in presenting this bill today. It is that voting at the age of 18 is, in my opinion, a right which should have been granted to young people many years ago. Participation in the political process should not be a part-time job; it should involve young people at all times, and this means providing them with that basic right, the right to vote. All too often politicians use young people only to lick stamps or place stickers on car bumpers during election campaigns and political conventions. Lowering the voting age to 18 is long past due.

In order to get people involved we have to work to extend the political base as much as possible. Years ago, only people who held property were allowed to vote. This limitation was relaxed to the benefit of all Canadians. Women received the franchise and this, too, resulted in benefits to the Canadian people.

I should like to summarize briefly the history of the lowering of the voting age to 18. The C.C.F. government in Saskatchewan, soon after its election in 1944 under the leadership of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), lowered the voting age to 18 in that province, enabling young people to vote at that age in the 1948 election. The age limit was subsequently reduced in Quebec, British Columbia, Alberta, and in Newfoundland where the voting age is 19. We also find voting ages of less than 21 years in the United States in the states of Georgia and Kentucky as well as in the new states of Alaska and Hawaii. Nearly 40 countries have adopted a voting age of 18, countries in all corners of the world on both sides of the iron curtain, countries with differing political ideologies. It seems ironic to me that Canada should still have a voting age of 21. We are still debating the mediaeval concept that persons are not mature until they attain the age of 21. This concept grew out of an age when a person was not thought physically able to wear armour until he became 21.

I appeal to members to vote on this bill, not to talk it out. All of us know that similar bills have been presented many times by members of all political parties. All political parties at one time or another have been in favour of reducing the voting age to 18. I believe that as far back as 1962 the committee on privileges and elections unanimously recommended that this should be done in Canada. But the proposal never seems to come to a vote, or when it does it is defeated, or the issue is tied up in committee after committee.

The former prime minister of Canada, the right hon. Lester Pearson, speaking to the house on November 18, 1963, came out in favour of reducing the voting age. But nothing was done about it. As reported in *Hansard* at page 4858 Mr. Pearson said:

> This party has been committed to the reduction of the voting age to 18 years of age for some years, and we are anxious to see that it is done as quickly as possible.

I suggest the time has come when we should stop talking about this matter, both here and outside the house, and pass a bill giving effect to this proposal.

Young people have been expecting to get the vote at the age of 18 for a long time. I picked up an article the other day in the *Globe and Mail* of November 16, 1963, which raised this hope among many people, and I should like to quote a paragraph or two from it:

> It is virtually certain that all Canadians who have passed their 18th birthday will be able to vote in the next federal election. The Commons election committee was unanimous, this week, in approving the reduction of the voting age (at present it is 21); and all parties have indicated they will support the change when it comes to the floor of Parliament.
>
> The arguments in favour of the change scarcely need repetition. People can now vote at 18 (provincially, but not, of course, federally) in Saskatchewan and in Quebec; they can vote at 19 in Alberta and British Columbia.
>
> All over Canada they can work at 18, marry at 18, drive a car at 18, go to jail at 18. They can fight in wars at 18—and in fact, as servicemen,

can vote in federal elections at that age. The ultimate logic of this is to give all of them the federal franchise at 18, and this is what Parliament is about to do.

That was in 1963, nearly six years ago, and still nothing has happened though members have brought bills such as this one before the house in each and every session. For this reason I appeal to hon. members today not to be hypocrites but to do something about the situation when they have the opportunity.

One of the greatest reasons for the cynicism of young people about the whole political process today is that nothing ever seems to happen. Part of the fault is attributable to Members of Parliament on both sides of the house. All too often we tend to be redundant and repetitive, talking about the same things year in and year out and using the same speech on occasion after occasion. As a result, parliament has become ingrown and out of touch with many segments of our society.

We give young people responsibility for carrying out many of the laws which are made by our society—I have already mentioned a few of the obligations placed upon them—but we do not allow them to participate in the decision-making process which determines the laws they must obey. All too often we as politicians and society in general adopt a domineering attitude. We think young people are good enough to lick the stamps and do the Joe jobs, the mechanical tasks, but when it comes to making decisions they are just not capable in our eyes.

In the last election campaign the Prime Minister went across the country inviting young people to become involved in the political process. Yet he has been denying them a fundamental right, the right to vote. This is the point at which private Members of Parliament should take action. All of us know that young people are ready to become involved. This happened in the course of my own campaign during which hundreds of young people participated actively in making the decisions as well as knocking on doors.

There is a growing awareness in the youth community of events around them, an awareness which is logical, given the society in which we live, a society in which automation and technology play a leading part. Information flows in quickly from all over the world. We can see evidence of the starvation in India and Biafra, of the condition of those who live in urban ghettos and the depressed areas of Canada. In such circumstances young people today are more aware of events in the world around them than they were even ten or 15 years ago. Because of advances in technology, people today possess many of the mechanical and quantitative goods for which their parents strove years ago and as a result more stress is placed on the quality of life and on values other than material values. Young people are more keenly aware of these things than they were 20 years ago. Indeed, it appears somewhat ludicrous that we should still be talking about lowering the voting age in the year 1969.

We hear a good deal about the generation gap and the difficulties some find in understanding young people. There is one way in which we can help improve this situation and it is by getting young people involved in doing things others do. If we ignore them, we cannot understand them, and this is the point at which things become very dangerous.

I should like to outline some of my reasons for thinking that young people should be allowed to vote. First of all, I consider it to be a right. Moreover, I believe they are mature enough to vote as intelligently as anybody else. In many provinces they reach legal age at 16 or 18. They must then be responsible for their conduct, they must appear in court when summoned and go on to gaol if sentenced. They are liable for military service if called upon. It is ironic to me that a person should be considered old enough to kill or be killed for his country when we do not give him the franchise here at home. They are considered intelligent enough to be trained to fight but not intelligent enough to vote.

Today many young people are organizing groups in an attempt to have the voting age lowered. One organization known as "Down Three" has circulated leaflets to all Members of Parliament on the issue of military service and I should like to quote one paragraph:

• (5:10 p.m.)

There is a great deal of inconsistency in the status of a young person in Canada. Eighteen-year olds, in time of war, can be conscripted for military service. Are 18-year olds adults or children? If adults, surely they should have the right to vote in time of peace, as well as in time of war.

This is the kind of inconsistency that appears in our society time and time again.

As we look around us we observe the many financial and social responsibilities a young person has. Many young people between the ages of 18 and 21, even younger, are married and have families of their own. Many of them are working and paying income tax. Many have responsibilities at home as well as responsibilities to the community at large. Since a driving licence can be had at the age of 16 most of them drive a car. They can hunt and carry a gun. Many churches in the country have already recognized that people are responsible for their actions before they reach the age of 21.

We should also give young people the opportunity to become involved in society at an earlier age. A better balance should be struck in Canada between the young and the elderly in the matter of voting. In this regard there is quite a disparity. As *Maclean's* magazine pointed out in an article last June:

> Nearly half the Canadian people are indeed under 25—some 9.8 million out of 20 milion, according to the 1966 census—but only 1.4 million of these are old enough to vote. Among 11.2 million voters they are 12.5 per cent, or exactly one in eight. And though they are the largest of the five-year age groups into which the census figures are broken down, outnumbering the next youngest voters by about 220,000, they are still less than one-fifth as numerous as that vast army of the middle-aged and the elderly, the 7.4 million electors who are 35 and older—

If young people were given the vote I submit there would be a better balance in the representation of the Canadian people.

Lowering the voting age is but a toe in the doorway, as it were, toward opening up society for the participation of youth. Our young people are impatient. They are demanding a number of radical socio-economic changes. They want to eradicate many disparities. We need to create a society that offers far more avenues to explore. Lowering the voting age would be but a start toward the accomplishment of these things. Many of our present institutions are very cold and de-personalized.

Our young people want democracy but democracy in its truest sense. They want democracy not only in the parliament of Canada and in the government but also in the private sector of our economy. They want universities to be democratized. Our Indian people want more say in making decisions, and many of our workers in factories want a greater participation. The public wants more control over corporations that affect a large part of their daily lives.

[Mr. Nystrom.]

Let me conclude by saying this: If we do not go even as far as to extend the voting age, we are only asking for trouble. We will be ignoring basic facts. It would be but a small step toward opening up society and increasing the opportunities for people to participate. This is why many people are losing faith in our present democratic system. Even many moderate students are asking why they have to demonstrate or hold a sit-in before people will listen to them. We do not want this sort of thing, and like to accomplish things quickly and in a democratic manner. Unless we do so we will encourage more and more activity outside political channels as we know them today. Therefore I ask the house to give this matter serious consideration and to pass this bill today.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, over the past several years private members from all parties now represented in the House of Commons have presented bills to provide that the age of voters under the Canada Elections Act be 18 years instead of 21 as at present. During the life of the 27th parliament nine public bills were introduced by private members to amend this section of the act. These bills were either talked out or referred to the Standing Committee on Privileges and Elections. In November, 1963, the standing committee actually approved an amendment to the Canada Elections Act to lower the voting age to 18. Although since 1960 prominent members from both government and opposition have agreed with the argument that the voting age should be lowered, as yet no government action has been taken to bring about this change. This state of affairs seems to suggest and to lead one to suspect that although lip service is paid to arguments in favour of lowering the voting age, in fact the most convincing considerations must be those that are against doing so. This is what one is led to assume from what has happened in the house in this regard since 1960.

A strong feeling undoubtedly persists among many that young people are particularly susceptible to radical or extremist elements. Since they are likely to be influenced by unscrupulous factions, so the argument goes, they should not be trusted with the franchise. Such an attitude really calls for proof positive that young people will handle the franchise intelligently, even before they have the opportunity to vote.

The same impossible demand was made by the opponents of female suffrage. It was claimed that women lacked the experience to vote intelligently, that most of them really did not want the vote anyway, that they would tend to vote in blocks and would be easy prey for demagogues, that such a volatile electorate would destroy our institutions and, finally, that they were just not ready for the franchise—some day maybe, but not just yet. These were the arguments of those who opposed female suffrage in Great Britain and the United States.

In respect of our youth at the present time, there are those who, on the one hand, seem to fear the influence of the youthful voter, whether it is expressed or whether it is merely felt. There are probably many members of the House of Commons as well as people outside the house who somehow fear the influence of the youthful voter. On the other hand, there are those who see in our youth a new generation—impatient, idealistic, and having a more thoughtful attitude toward national and world affairs. Between these two attitudes of fear and caution on the one side and praise and urgency on the other, there is probably a middle road of truth.

According to several surveys, young people in their teens show no significant difference from older people in their attitude to or understanding of political issues. If such be the case, why not leave the voting age at 21, an age that has long been recognized as the legal attainment of one's majority? If the need for change is pressed upon us, then why should the voting age be set at 18 rather than 17 or perhaps 19? The answer in part is that the establishment of 21 years as the age of responsibility in voting has no relevance in the 20th century. As is well known and as was mentioned previously, the present standard is borrowed from ancient English common law which designated 21 years as the minimum age for knighthood. This was supposed to be the age at which a young man would be strong enough to bear the weight of armour. We all know there is no magic to the age of 21 years. There is no guarantee that a person will assume adult responsibility as soon as he reaches his 21st birthday.

• (5:20 p.m.)

What justification is there for selecting 18 years as the voting age in preference to 21? The fact is that those falling between the ages of 18 and 21 are considered adults for many purposes. They can marry, begin having families, pay taxes, drive cars, serve in the armed forces, and so on. Eighteen years seems a good age to have as the voting age; it is approximately the age when young people leave high school to enter the labour force or to proceed to higher education.

Studies in the United States have shown that persons 21 years of age are among the most delinquent voters. It has been concluded that the reason for this is that by the time these young people have turned 21 many have become so far removed from the stimulation of the educational process that their interest in public affairs has waned. Consequently, some of these young people may be lost as voters for the rest of their lives.

Perhaps the most compelling reason for lowering the voting age is that Canadian politics needs the transfusion of enthusiasm and interest that younger voters would give it. Through the years young people have been a great help to political parties and candidates—as helpers but not as voters. Since young people have played important roles in many campaigns it is disturbing to find they can persuade others to vote but cannot vote themselves.

Lowering the voting age to 18 years would tend to bring about a better and more equitable balance in the electorate of this nation. As the life expectancy of our people rises the number of older voters increases. A corresponding expansion in the number of younger voters would broaden the political base and perhaps provide concurrently a more balanced approach in the nation's general political outlook.

We know from history that it is usually a difficult task to expand the electorate. Often a strong measure of agitation is required, as was demonstrated by the Chartists, the suffragettes and the United States negroes. In due course political parties and leaders somehow become capable of embracing new ideas and people, but the process generally is slow. In time the federal government will extend the franchise to those between 18 and 21 years of age, but by then it will be following the practice of most provinces in Canada. To date, five provinces have lowered the voting age either to 18 years or 19 years, and the question is being considered seriously by other provinces. It seems a pity that the federal government is not giving leadership in this matter. Our youth generally deserve this right. Recent public opinion polls have shown that the number of people in favour of lowering the voting age to 18 years has increased considerably.

Before resuming my seat, Mr. Speaker, I wish to refer briefly to another change which is urgently needed in the present Canada Elections Act. I am concerned about the problem of the absentee voter. In my constituency of Thunder Bay many Great Lakes sailors lose their votes because they are away from their polling places on election day. During the advance poll they may find themselves at a location where they are not registered. In Canada we have persons who, because of sickness, infirmity or incapacity—they may be away travelling or absent for any number of reasons—are unable to attend their polling place.

May I point out that the Report of the representation commissioner in 1968 on methods of registration of electors and absentee voting recommended that in this country we should follow the Australian method of absentee voting. There one may cast one's ballot at a different polling place but it must be in the same province. The report also recommended that postal voting, the mailing of one's ballot to the place where one is a registered voter, should be introduced into Canada.

The need to lower the voting age and to provide for the absentee voter must be resolved before the next general election. I hope that these amendments will not be under debate still in the 29th and 30th parliaments.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I have your indulgence and the indulgence of hon. members on the government side of the house to speak for five or six minutes in support of the bill brought before this house by the hon. member for Yorkton-Melville (Mr. Nystrom). It is significant that a measure similar to the present one has been before the house on nine occasions. Considering the interest the youth of this nation has displayed in this question, I think it ought to be decided very quickly.

We must ask ourselves, will we permit our youth to face responsibilities and help in the solution of problems which are causing inequities in this complex life we live? I have been fortunate in being involved with youth in my travels across the country. I am pleased to see the involvement of youth in the political arena. Surely it would be unrealistic for us to contend that we should not lower

the voting age as this is not the proper time to do so.

In Hamilton aldermen 22 years old are elected. I am pleased to see that one of the youngest members ever to sit in this house is the hon. member for Yorkton-Melville. Surely the youth of certain elected representatives is significant of something. Perhaps the significance lies in the preoccupation of our youth with politics.

May I put it this way, Mr. Speaker. I was fortunate enough to have involved in my election campaign between 500 and 600 young people. As a result of their vitality, energy, know-how—I am speaking of political know-how—and advice I was elected to this house. I stand here very proud and very honoured that young people were involved in my campaign. At the same time I am concerned about any communication gap that may exist between the younger and older generations. Although we are prepared to say our young people are responsible enough to go to war, to come before the courts and to drive cars, at the same time when it comes to what may be termed the "nitty-gritty" of life we are reluctant to give them certain rights and responsibilities.

• (5:30 p.m.)

Participatory democracy is a phrase much used on the other side of the house. I am interested in it. I want to see more people involved. One of the most important groups in this great dominion of ours is the under 25 age group which makes up half the population. I do not think it takes a great deal of brains to understand what is happening at this particular juncture in time, when we think that half of the people in this country are under the age of 25 years. That is a significant statistic.

We must be prepared to accept the fact that there are many responsible people within this group. The restless minority is one thing. We hear about Sir George Williams College and about the University of B.C. Let us not become beclouded by the actions of the restless minority; their actions of violence; their actions of intimidation; their actions of blackmail. Let us look to the responsible ones who have the ideas, who have the energies, and who have the philosophies that can play a part in our political life.

The only proper forum for the energies, the restlessness and the excitement of youth

is the parliamentary caucus, not on the street demonstrating, waving flags, exciting and inciting. The proper forum is within this grand chamber.

I would hope, Mr. Speaker, that this is a time when we can be realistic not only in attitude but in action. It is all right to be committed but let us have a commitment with deeds. I think we have a lot to learn from the young people. As I listen to them, as I read about them throughout this nation, I believe we must start now reducing the communication gap, that gap which now-a-days means that if you are not under 30 you "aint with it". It is very unfortunate when young people have to seek leadership from within their own group without relying on the wisdom and experience of those who have had an opportunity of laying a foundation for them.

That is why I am concerned and hope that this bill does not get talked out. This talking-out business is starting to confuse me. I see so many good things proposed, but then during private members' hour I look at my hon. friends on the other side of the chamber, and how many of them do I see? I see, one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen of them. Are they going to talk this bill out? To my hon. friends opposite I say, let us be realistic. Let us face facts. I hope this chamber will send this bill to the standing committee which can deal with the matter in greater detail.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I am pleased I can devote a few minutes to expressing my opinion on this very serious question indeed. Young people have a very important part to play in our country, as in all communities around the world, and everyone, young people or adults, and especially we, the members of the house, should consider that problem carefully, with a view to finding a definite solution as soon as possible.

We all know that, for some years, that question has been discussed by the various executive committees of our pressure groups, such as the Chambers of Commerce and other organizations, as well as by our legislatures and the legislative bodies of almost all the countries in the world.

Today, as a matter of fact, I was reading a book written in the United States in 1949, by a Mrs. Julia A. Johnson, entitled *The Lowering of Voting Age*. The author makes an individual and almost exhaustive study of the whole question and reviews all the arguments for or against giving young people between 18 and 21 years of age the right to vote.

I realize that since then the same ground has been covered in our own circles. I remember that the question was debated in the province of Quebec in 1964, on the occasion of a political rally, with warmth and enthusiasm. Naturally, there was much excitement among the young people attending. For my part, I voted for the passage of a legislation to grant the franchise to 18 year olds.

Since then, and especially now with this bill, I go in for this slightly less radical approach as this matter is so important that, in my opinion, it should rather be introduced by a group of members of Parliament. Because also of all the aspects of this problem, many provisions may be neglected or forgotten if only one member presents such a public bill. I think that franchise for young people should be taken into consideration, but within the framework of the complete revision of our Elections Act which, I presume, will be made before long. And I suppose that in a short while we shall be able to study it in committee.

Young people must evidently be appreciated at their real value because, as we all know, they have many good points but they also have responsibilities. I am not one of those who say that they represent a group with dangerous opinions. I rather think that among them, those who make a lot of noise are a minority. They are the ones who cry the loudest while most of our young people are seriously preparing themselves either through studies or some form of training to assume in future the role assigned to them in order to replace adults when they attain their majority and maturity.

I think that a distinction between those two terms, majority and maturity, is necessary.

Maturity results from the complete development of an individual or a group, while majority is established through legislative enactment.

Our youth have a part to play at the present time. They will play their most important

part in the development of our society, once their studies are completed, as we have done ourselves.

Indeed, over the ages and still at the present time, youth have been of special interest to politicians, businessmen, industrialists, for various reasons and motives, some commendable and others—we must admit it since it is human—less commendable.

Throughout the world, many politicians have been interested in youth for mere electioneering purposes or mere partisanship. I feel that when we, here in Parliament, are seriously considering to grant a special status to youth, we have to ask ourselves if the reasons impelling us to give them the right to vote or any other right are above electioneering or partisanship. I do not mean to say that electioneering or partisanship are good things. In our democratic system in Canada and elsewhere, those techniques of electioneering, party organization and partisanship are important, worthwhile and good. However, when youth especially is involved, we have to consider principles which are on the same level as politics in the best sense of the word. By doing so, we are taking into account the principles which will contribute to the development of Canada and will enable us to solve more quickly present priority problems.

It is not a matter of granting somebody a right just to please him or to get his vote at the next election.

Besides, the majority of our young people are seriously getting ready for the future, to fight for society and their own, as we are presently doing.

They long for truth, frankness and efficiency, and they do not particularly like those flatterers who try constantly to lure and beguile them.

All agree that the matter is important; to me it is also very complex. That is why I believe it is better to wait until our Elections Act is revised and I wonder if the fact of debating a private member's bill for an hour could cover all aspects of the problem and get the results we expect from our statutes.

A member of the opposition said earlier that during election campaigns, we use our young people to put stickers to automobile bumpers. I have a different opinion. Young people and adults render services to politicians, but in most ridings, the young are interested in politics all year long.

[Mr. LeBlanc (Rimouski).]

• (5:40 p.m.)

In the Rimouski constituency and in the province of Quebec in general, we have a group of young people really interested in politics. And what are their goals? They do not strive for the right to vote in the near future. They are eager to improve their knowledge in politics, and their general knowledge as well.

First, they want to know the mechanics of our parliaments. They have an interest in politics between electoral campaigns, and they are most active groups, as most of those we have in our constituencies.

As I was saying a moment ago, this question has been widely commented for years. One has only to go through the *Hansard* of the Commons, the reports of associations, clubs and political conventions to realize the extent of the discussion. But perhaps it has not been properly dealt with, for nothing has been settled in that respect, at least at the federal level.

I was reading today in the November 1964 issue of *MacLean* Magazine an article written by a well-known newspaperman, Mr. Norman DePoe, who investigated the matter and covered almost all aspects of the voting right for 18-year old people.

As far as 1964, Gallup-type polls conducted among young people revealed that some were for the right to vote for 18-year old people while others were not and preferred to keep the status quo, so that they get a better preparation. They were looking forward to replace in a few years those on the front line either in politics or in the management sector.

For that reason, Mr. Speaker, I sincerely believe that it would be better for the government to make a general revision of the Canada Elections Act before arriving at a decision on this question.

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words on Bill C-21 introduced by the hon. member for Yorkton-Melville (Mr. Nystrom) the object of which is to lower to 18 the age of voters.

Unfortunately, I am not quite in agreement with the hon. member, in spite of his good intentions when introducing this bill.

In the present situation, in a country in turmoil, in a country where too much confusion prevails, where the young lack leadership and do all sorts of things, it would not be advisable to adopt such a policy, that is to lower the voting age to 18.

At 18, the young are all schoolchildren, they all attend classes. So, they certainly do not have the time to keep abreast of politics, and I am sure, Mr. Speaker, that if we authorized voting at 18, some 18 year-olds would run as candidates in the elections.

The responsibility for things done during an election campaign, if taken seriously, is more serious than one might think because they are intended to improve the economy. Positive, carefully considered decisions must be taken and I do not think that the majority of the people who are not 21 yet are mature enough to make any valid political decisions. I think that it would be unwise on our part to grant the right to vote at this time to young people of 18 because many of them at 21 know absolutely nothing about politics and therefore cannot come to a decision or express valid opinions in that respect.

I agree that among those who have not yet reached the age of 21, some may be more advanced than others.

In fact, there are some who, at 18, are quite responsible but there are very few. Most young people at 18 are not responsible enough to come to a positive decision on matters such as the subject we are discussing now.

I have seen with my very own eyes, during the last election campaign, wealthy politicians organize dances and send invitations out to young people who were not old enough to vote. These young people are not concerned at all with politics; they would rather drink, dance, date this or that young lady. They are concerned with the car in which they will ride, it is the only thing they care about. Therefore, there is no sense of responsibility at all. I have seen in my riding meetings organized by old political parties at a cost of several hundred dollars, where there were almost only young people. There were practically no serious-minded people at those political meetings or dances organized in order to secure votes. Therefore, if the right to vote had been given to those 18 year olds, the politicians with the greatest financial means, the ones that are the most gratified by their own party and who organize dances, might have obtained their votes by being able to win them over more easily.

Therefore, Mr. Speaker, we must dwell upon the way people may act. We must also recognize that we are not merely mossbacks. An 18 year old is not an old-fashioned person, but a young man. It is a man who is supposed to have had some education, to be somewhat serious-minded, to have even a certain maturity. However, at the age of 18 years, according to several enquiries that were conducted, to the numerous questions asked to most of the young people, the answers were rather shifty, and quite negative. This shows that people of that age are not mature enough to vote logically and intelligently at the time of elections, especially in a country like ours where great changes are now taking place.

Mr. Speaker, the hon. member for Rimouski (Mr. LeBlanc) said earlier that young people must have certain qualities; they surely have qualities and nobody questions that. Young people have qualities that should be taken into account; we must guide young people, we older politicians. Young politicians must also guide the young people who have the right to vote or are involved in politics. They should teach them politics; they should show them what is to be done, what is to be changed, what is to be improved in an economy, and that is almost untouched upon in the schools. When young people of 18 have finished their studies, they have learned almost nothing about political economy.

• (5:50 p.m.)

I think it would be beside the point to say that it would be useless to allow these young people to play a part in our politics and in our economy, which must be reformed and which needs people who have been thinking, people who have been reflecting because we are now on the eve of a revolution. The young people are about to revolt.

Young people no longer believe the old politicians. They think they are old fogies, all of them. The old politicians do not do anything for the young because they have

no maturity, because they do not know the consequences they do or might do eventually.

I object absolutely, as the hon. member for Rimouski used to say, to the study of this question. It should be considered far more thoroughly so that we might know if it will be reasonable one day to lower the voting age.

In the province of Quebec, Mr. Lesage's party lowered the voting age and that was fatal to it. If the provincial Liberal party had not lowered this age limit, it would probably be still in office.

Mr. Speaker, I am not suggesting that young people have always cast their vote without being aware of what they were doing but there is one thing I can tell you: they do not vote just for the sake of voting, they vote to be able to enjoy a dancing party or for what little money they can get to move around and enjoy themselves. That is what the majority of them have in mind, for they are not that much interested in politics. As I said earlier, there are exceptions to the rule, but I am sure that most of our young people think that way.

Mr. Speaker, for all those reasons, we cannot bring down the age of the voters in order to enable these young people to go to the polls, especially where federal elections are concerned since these are more important and carry more implications than provincial elections. Indeed, action taken by federal members is not confined to the provincial level but has a bearing on the international scene. We know what we are doing but we have yet quite a lot to learn and though we have attained maturity, many of us still make sometimes very serious mistakes. Just imagine then what could happen with a young chap who is unaware of the consequences of his acts.

[*English*]

Mr. Speaker: Order, please.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, I move:

That the said bill be not now read a second time, but that the subject matter thereof be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: I should bring to the attention of hon. members that the hon. member for Compton (Mr. Latulippe) had the floor at six o'clock. He relinquished the floor to the hon. member for Scarborough East (Mr. O'Connell). May I take it there is agreement in respect of this course of action?

[Mr. Latulippe.]

Some hon. Members: Agreed.

Mr. Martin P. O'Connell (Scarborough East): On a point of order, Mr. Speaker, I should like to know whether I may—

Mr. Speaker: Order, please. We have not yet settled the first problem. Let me bring to the attention of hon. members that the hon. member for Compton relinquished the floor at six o'clock. Certainly, no other member can take possession of the floor for the purpose of moving a motion unless there is unanimous agreement on the part of hon. members to allow him to do so.

Mr. Knowles (Winnipeg North Centre): D'accord.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, by leave I move:

That the order for second reading of Bill C-72, to amend the Canada Elections Act (age of voters) be discharged and the subject matter of the said bill be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: I understand there are now two motions before the Chair. I will put the first one to the house. Mr. Forest, seconded by Mr. Deachman moves:

That the said bill be not now read a second time, but that the subject matter thereof be referred to the Standing Committee on Privileges and Elections.

Motion agreed to.

[*Translation*]

Mr. Forest, seconded by Mr. Deachman, with the unanimous consent of the house, moved:

That the order for second reading of Bill No. C-72, to amend the Canada Elections Act (age of voters) be discharged and the subject matter of the said bill be referred to the standing committee on privileges and elections.

Motion agreed to.

Mr. Speaker: The hour set aside for the consideration of private members' business has now expired. I now leave the chair until eight o'clock.

[*English*]

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): I thank you, Mr. Speaker, for mentioning that it was the riding of Témiscamingue in the province of Quebec.

Before the supper adjournment, I was saying that the bill under consideration, Bill C-150, should never have been introduced in the House of Commons. Most of those who favour its introduction conclude their studies by saying that we should respect everyone's conscience.

As I mentioned earlier, Pope Paul VI said just a few months ago that the conscience should be guided and directed by Christian moral law rather than partisanship.

The hon. member for Lapointe said that he would vote according to his conscience. He will, but following a lecture by his party's organization. Therefore, is it according to moral law or to partisanship that hon. members state they will vote for Bill C-150?

Mr. Speaker, in practically every country in Europe, people who have followed the dictates of their conscience can be found. Let us consider for example countries such as Greece which for a while—and I do say so—was the stronghold of civilization, India, Persia and Iran which in the past were highly developed countries. I would add even France and England which, a few centuries ago, were also highly developed countries. Let us see what is happening now in Greece with its concept of free personal conscience.

Let us consider, for instance, Iran where 83 per cent of the people are illiterate. I happened to be in India lately where out of 530 million people, 97 per cent cannot read or write.

Instead of teaching these people how to produce to feed their fellow men, we have chosen to work towards birth control. At the present time, about $2 is paid to every man who agrees to be sterilized for birth control purposes.

In India, instead of studying the production capacity necessary to feed the people—and I suggest that India could feed at least five times its present population—its people are being taught birth control to help the food shortage, so that within a few years, 25 to 30 years from now at the most, the population of India will be made up of old people and there will be no one to take over from them.

Here in Canada, while we are dealing with birth control, in Quebec as well as in the other provinces, there is inconsistency. On the one hand, some people say the birth rate is decreasing noticeably and that people are up against it; on the other hand, people are showing the so-called advantages of contraception, of birth control or advocating abortion projects, which is entirely against human nature.

Try as we may, we can pass parliamentary legislations, the Creator will ignore them. It is He who has given us life and no man has the right to take away such a life from whoever it may be.

My colleague from Bellechasse (Mr. Lambert) recently had a questionnaire sent around in his constituency. I also had consultations in mine. My colleague from Bellechasse precisely asked the electors of his constituency the following questions about the bill under consideration:

Are you in favour or not of therapeutic abortion, when the life of the mother is quite seriously endangered?

Are you in favour or not that the serious decision, namely whether or not there should be abortion, that such a decision be taken by several practitioners (medical committee) after consultation with the mother, the father or the guardian?

Do you believe that in all other cases, abortion should be considered an illegal and punishable act, under the present provisions of the Criminal Code?

• (8:10 p.m.)

Mr. Speaker, those are objective questions, not partisan ones. Now I have here a few answers—I could quote hundreds of them from all the constituencies of the province of Quebec—namely one that comes from Sainte-Perpétue in the constituency of Kamouraska, that of my excellent friend the hon. member for Kamouraska (Mr. Dionne). The lady who wrote that letter is not afraid to sign her name. She is Mrs. J.-C. Bélanger, from

Sainte-Perpétue, l'Islet county, mother of 15 children, I quote:

Sir:

I want to give you my opinion on abortion. I do not know where we are going with those confounded laws passed by the government. Confound it! To kill or to have one's innocent child killed is an abominable crime. I daresay it is the greatest crime that will be perpetrated in the world.

We are farmers and we would never dare procure the abortion of a cow—

I wish to stress those words, Mr. Speaker, and keep on quoting:

—we would fear for its life, we would fear for its health. We do not know how to call those gentlemen who dare introduce such a bill. Think a while and hold on until the last minute and God will bless you.

I hope that several people will give their opinion like I did and that it will be taken into consideration.

Mr. Speaker, this lady was not afraid to have children since she had 15 of them. And today, I would say that the supporters of abortion do not approve of it for medical reasons only, but rather, in most cases, for purely economic reasons.

Let us consider, Mr. Speaker, the case of a 22 year-old young man who has just finished his studies and who is courting a young lady who has also just finished her studies at the age of 21. It is normal to be in love with a 21-year old young lady and to wish to marry. Suppose they decide to marry. The young man has a job which does not pay too much. So the young lady says: Let us marry and I will try to work to increase our family income. However, let us try and agree not to have any children for the next five years or so. The two young people who are 22 and 21 years old get married, which is normal and nobody has anything against it. After their marriage, of course, they make love but precautions are taken in order to avoid immediate pregnancy. But, at a certain time—this is what is called bad luck—the young bride becomes pregnant. Then, necessarily, the child will be born normally after nine months. This disturbs the young bride who will have to quit her job. This very fact will decrease the family income and will bring to this home not bitterness perhaps, but a kind of fear that they will not be able to make ends meet.

Mr. Speaker, any member, whether he belongs to the Liberal, the Progressive Conservative, the New Democratic or the Créditiste parties knows that such situations exist today. The young bride who does not want to lose her job will try, in many cases, to find means to free herself from the child she is bearing even after two or three months. At that time, the young bride will perhaps be blamed. But, Mr. Speaker, is the bill which will legalize this practice consistent with Christian morality?

I am 51 years old. I was born in Amos, Abitibi, in 1917, when the only means of transportation was the C.N.

We were far away from any important centre of the province of Quebec. My mother bore 14 children, out of which 8 are still living today, and we managed to get through the recession. My father was a small employee with the provincial government and earned $90 a month—and we used to sit 10 around the table! In those days, I was attending the College of Limbour, not far from Hull, and later the College of Victoriaville, run by the Brothers of the Sacred Heart. I was the second child of that family of ten who had to manage with $90 per month, and, Mr. Speaker, as we scrambled through this recession—which was a catastrophe for many Canadians and for all the people of Quebec—on Sundays, the parish priest would say from the pulpit: "Do not be afraid to have children; large families will have less trouble than the small ones." And he was right, Mr. Speaker. In fact, large families fared better during the recession than the small ones. I have seen bachelors who were practically starving whereas large families always managed to get through with a cow and a dozen hens. However, in those days, our dwellings were not, perhaps, as comfortable as those we have today, but we could live in them like human beings.

Today, at this very moment, if we toured the riding of Kamouraska, along the banks of the St. Lawrence, on the north or the south shore, we would see houses built 300 or 400 years ago, in which hundreds of little French Canadians were born. They never starved, Mr. Speaker.

And today, under the pretext that civilization is progressing, that we must become more civilized, we advocate birth control. Instead of passing laws to enable families to live decently, laws are being passed to limit the number of children. Let us go around Montreal: what goes on there? Instead of building the type of house families need, high-rise

buildings are built that look like chicken coops, and have no space for children.

Some hon. Members: Hear, hear.

Mr. Caouette: There are no yards for the children to play in, but instead, four-room apartments, for families of six or eight. Of course, one looks a little stupid, Mr. Speaker. There is a lack of space; is it because there is a shortage of land? Not so. But because first of all, there are material interests which defy all morality and impose such bills as Bill C-150.

Mr. Speaker, I have another letter here from a citizen of the county of Bellechasse, Mrs. Poulin; she writes:

Mr. Caouette, please give to the member—

—this letter—

—thank you. This is the first time a member has sent a referendum to his electors for a serious cause, as this one surely is; the reply is no.

Why abolish the—

As you can see, she has no university education, but rather that of a farmer with a lot of good common sense. And I continue the quotation:

Why abolish hanging for convicted murderers—

—under the pretext that we have no right to make an attempt on the life of others, in order to civilize the world.

—and allow the murder of an innocent—

—a child who is about to be born—

—who has not asked to live—

It is God who gives it to him.

He needs it and other people want to kill him. The responsible parents do not know what they are doing; they enjoy life foolishly—

Such is their purpose.

And that other member who said last week that life starts after three months, as if a being deprived of life could develop; Parliament has too many of those members, and to think that those empty heads are so well paid.

I do not know which empty head spoke at that time, for if I knew, I would name him.

And you Mr. Caouette, so courageous for the past thirty years, I am listening to you, no one speaks like you, people think that nothing can be achieved, they are so used to being whipped—

—with such political parties as we have.

—Thank you for taking the trouble of writing to me; it is a just cause that, I hope, you will win.

Mr. Speaker, this is a letter from the constituency of Bellechasse. Here is another from a constituent of Dorchester who thanks the member for Bellechasse (Mr. Lambert) for sending him that questionnaire.

I thank you for enabling ordinary people to express their views on Bill C-150. In view of the interest that you are taking in the matter, I am taking the liberty of setting forth my reasons for taking such a stand.

Since your questions are put outright, I have to answer them in the same manner, the more so as I have not seen the full text of the bill.

Yours very truly.

And the answer to the questionnaire is quite simple. It is clearly against abortion and against homosexuality. Signed:

Jean-Gérard Poulin.

Mr. Speaker, I want to quote another letter from Saint-Pacôme in Kamouraska riding:

I congratulate you for your concern for your constituents by asking their opinion on the omnibus bill. All M.P.'s could have done like you in order to know the opinion of their constituents. I am not from your area, but I give my opinion anyway: I am dead set against the omnibus bill, against abortion, against free homosexuality and against divorce.

When there is too much freedom and no authority, nothing good or nice remains!

I believe that the man (rather the husband) and the wife must take all responsibility in some very exceptional cases; why generalize for a few exceptions? Thank you for your kind attention towards the problems of one of your faithfull readers.

Mr. and Mrs. Louis-Philippe Alexandre, Saint-Pacôme, Kamouraska county.

• (8:20 p.m.)

Mr. Speaker, we have heard the remarks of several members. I heard recently the member for Trois-Rivières (Mr. Mongrain) tell the house that he had the misfortune of losing his wife and his child at the same time, in child-birth.

Mr. Speaker, that really happened. We bereave such unfortunate happenings, of course. When my mother died in 1960, I lost everything. I did not know who to turn to and that was tough luck. But that does not mean we should legislate in the way of immorality by interfering with Christian morals.

Someone said that personal conscience must be respected. I am all for that, Mr. Speaker, but it should also be guided. Some people say that certain religious authorities support their views. And yet I have here statements which

are taken from a very serious study by Reverend Father Paquin, a Jesuit, the author of a book entitled: "Ethics and Medicine", which deals precisely with direct abortion, criminal, abortion, therapeutic abortion, eugenic abortion, in short, with all kinds of abortion. And here is what Father Paquin writes:

> Direct abortion is always immoral and profoundly illicit:
>
> In ethics, such distinctions do not exist: any direct abortion, whatever the reason behind it, and even if it is approved by the state, always has the same moral significance.

It is officially forbidden by the moral code to practice abortion.

Mr. Speaker, here are the principles of natural law mentioned by Father Paquin:

> The murder of an innocent being is always considered a murder, and it is the more repulsive as the victim is less capable of defending itself. No one is master of a fellow-creature's life—

Of his father's, his mother's, his wife's, his child's.

> No one is master of a fellow-creature's life, even if that creature is known as a foetus.
>
> Neither the mother nor the doctor nor the State can be free to decide. The consent of the mother and of the State are worthless consents which could not alter the immorality of a murderous action.
>
> Such is the nature of abortion that it must be compared to foeticide. To reject the foetus out of the mother's body, without which it cannot live, is tantamount to wounding it mortally; it is placing it, in an immediate and direct manner, in an impending and sure danger of death.

Father Paquin continues as follows with respect to therapeutic abortion:

> In general, therapeutic abortion describes a technically indicated abortion to save the mother's life.
>
> Those indications can be numerous or limited, according to scientific advance, according to current opinions in medical circles, according to special knowledge of such and such a doctor or a surgeon. In fact, it is very arbitrary.

And that is not only in connection with the birth of a child, Mr. Speaker. About 25 or 30 years ago, when one had appendicitis—it was not called appendicitis, but "body tied in a knot". When one's body was tied in a knot, he died there was no recovery possible. Finally it was found out that by removing a small gut of about three inches long, the knot was untied and health was regained.

How many of our Liberals are now tied up, Mr. Speaker. Even with therapeutic medicine, they cannot be untied.

I am still quoting Father Paquin when he refers to moral judgment:

> Whatever may be the medical viewpoint, moral judgment cannot be different for a so-called criminal abortion and a therapeutic abortion. The general condemnation we have established previously holds for all cases of abortion, since an end, even excellent, can never justify the use of means which are essentially bad.

Mr. Speaker, it is in the name of Christian morals than we are protesting and not because we do not want to save lives. On the contrary, we want to save all lives. When the good Lord allows a human being to be born, man has no right to decide whether or not he must accept it. This new life is sacred. It is not a life given by man, but a life given by God, and nobody has a right to smother it, whether it be through medical means or any other means. Reference is made to abortion in other fields. I was quoting earlier an excerpt regarding eugenic abortion, with a view to effecting race selection. For instance, a cripple would not be allowed to sleep with a woman, or should a woman become pregnant from such a union, she should seek an abortion. In other words, the child should be killed in his mother's womb.

Mr. Speaker, I think all members—everybody perhaps—have seen perfectly healthy couples, a highly intelligent man, a superiorly intelligent woman, give birth to a moron. This happens through no fault of theirs, nevertheless they have in their family a sick child whom they will not even be able to keep with them. On the other hand, not too healthy people have been known to have very intelligent children, children who developed well and became prominent citizens later in life. We have seen that and it proves that if man proposes, in the long run, God disposes. Men may be ready to propose this law on homosexuality, abortion, etc., but regardless of what they do, in the long run it is God that will dispose. And, Mr. Speaker, the Ralliement Créditiste is happier to be on the side of God's teachings than on the side of the Liberal party's teaching.

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to raise my voice in protest against some of the features of this bill. The First is the refusal of the government to permit the separation of the contraversial features, second, the permissive clauses relating to homosexuality and, third, the relaxation of prohibition against abortion. These are matters engaging the consciences of Canadians and members of parliament. It is in incredibly bad taste on the part of the

government to force members on both sides to vote on these matters on a purely partisan basis. In so doing, they have reversed the trend in this chamber in recent years of members being allowed a free vote on matters of conscience, such as capital punishment. Now, we have a government which, even on questions such as homosexuality and abortion, must assume a partisan posture. This is a rather regrettable and sad spectacle.

• (8:30 p.m.)

I ask hon. gentlemen opposite, why all the concern about homosexuality? I point out to them that we are living at a time when taxes have never been higher; interest rates are escalating; inflation has gone out of bounds; wheat sales are dropping; we have no national oil or national science policy; unemployment is shooting up; disorder and violence are stalking the land; and the government nerves itself to a mighty effort on behalf of homosexuality.

In all humility, I ask hon. gentlemen opposite: Why? Why the concern of the members opposite about homosexuality? What does this bill accomplish? It gives a green light to homosexuality. It makes respectable what heretofore was not respectable. It takes off "the wraps". One of the dangerous features of homosexuality is compulsive conversion. It is no use hon. members opposite saying this is not so. It is not only the experience of the medical profession but the accumulated experience of humanity through the ages. Homosexuals proselytize, and in so doing endanger young people before they are at an age to realize what is involved. That is why in flashing a green light at this time the government is embarking on a course fraught with dangerous consequences. A similar problem exists in connection with abortion. It lies in the difficulty of control. I ask the government how, once this legislation is through, it proposes to control homosexual activities? How does it propose to keep them from becoming even more blatant than they are now? Apparently, the government is not concerned about this. It is understandable, of course, that a government which looks with tolerance on marijuana and takes no interest in the destruction of millions of dollars worth of university property should be unconcerned about exposing young people to uncontrolled homosexuality. But the question is, what degree of control can be exercised?

Coming to abortion, the same question presents itself. How can a panel of doctors decide the issue? A woman who demands an abortion will get it because there are no grounds on which it can be refused. This government is therefore in a position where at the same time that it is legislating uncontrolled homosexuality it is also asking us to accept unrestricted abortion. I refuse to do so.

I do not intend to go into detail on the moral questions involved in abortion. I think the simple fact of taking away the life of an unborn child is serious enough to impress most people. Once life is there surely a child has the right to its continuation. We have spent millions improving maternal welfare, prenatal and post-natal care, and on lowering the death rate of newborn babies. How casual some of us are about destroying a foetus which otherwise would live.

We know what the arguments are; such a step is in the interests of the mother's health, mental or physical. This includes possible inconvenience or embarrassment, because "health" can include every reason under the sun. The simple fact is that we have agreed that a child before birth has no rights. It is part of a philosphy of our time which is a kind of anti-life philosophy. There is something about new life that seems to frighten some people. Surely, once life exists it must be maintained.

I am against abortion as defined in this bill for the simple reason that there is no way of ensuring that life will not be destroyed unnecessarily or frivolously. Personally, I am against the extinction of life by the hand of man under any circumstances. But the act itself gives no assurance that life will not be destroyed for the most frivolous reason—that is, simply on request. That has been the experience in other countries and it will be the experience here.

We have been given figures showing the enormous numbers of abortions being performed illegally, as though this were an argument to have them performed legally. Surely, these children have a right to be born. Rather than participate in their destruction, why does the state not allow them to be born and undertake responsibility for looking after them? Facilities for child treatment and child care in this country are disorganized and chaotic. Hardly a day passes but the press carries an account of child beating, child neglect, child abandonment. Surely, something could be done in this area by the federal government in co-operation with the provinces.

We have a government that wishes to reserve for itself only those areas of jurisdiction which are politically profitable. Where there is a real need, such as preventing the destruction of university buildings, or for child welfare, it shies away and, like Pontius Pilate, washes its hands. Is it not better to do something about looking after unwanted children in a country suffering from a shortage of population instead of destroying them before they have a chance to be born? I say this is a callous and heartlessly anti-social provision. You cannot control the granting of this permission. You cannot say no when an abortion is requested, and you will not say no. The simple request will be enough. It may be cheaper than building institutions or children's villages to look after the unwanted, but it is certainly not a Christian or a positive social concept. It is a concept both negative and destructive, a shrugging off of responsibility.

Why not let these children come into the world and grow up as Canadians? Why not accept the responsibility of providing for them? Why not look after the mothers and remove the stigma attaching to unwed motherhood? Why should there be a stigma? This bill perpetuates that stigma by somehow suggesting that a child about to be born out of wedlock has no right to be born. This is an anti-social, heartless attitude.

I leave these matters to the conscience of the government and its supporters. As for my own conscience I am, thankfully, responsible only to myself and I shall vote against a barbarous betrayal of my beliefs.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, perhaps I could reply to the hon. member who has just spoken by telling him the reason for the homosexuality clause and perhaps even for the abortion clause, though I certainly would never presume to speak on behalf of the government. I believe the reason is simply that these laws are unenforceable. In other words, the legislation relating to homosexuals has not been enforced. The number of convictions is almost nil. Therefore, when a law is not enforceable it becomes a dead letter on the books and is better removed. I believe the government used a similar explanation to justify abortion, the subject with which I shall deal mainly this evening.

I find myself in this embarrassing position. I voted for the abolition of capital punishment when we had a free vote.

• (8:40 p.m.)

Mr. Paproski: Will the hon. member permit a question. How does he suggest the law in private homes will be enforced with respect to acts of homosexuality?

Mr. Reid: I am sorry I did not hear that.

Mr. Paproski: How does the hon. member suggest that the law with respect to homosexuality should be enforced? I am talking of acts in private homes.

Mr. Reid: I understand the proposal is that there should be no law on the matter. Acts between consenting adult males are permitted.

Mr. Paproski: What about acts between those who are not adults?

Mr. Reid: I am speaking to the general principle of the bill. I am sure the Minister of Justice (Mr. Turner) will be glad to answer that question.

Mr. Paproski: At the same time perhaps he will define consent.

Mr. Reid: As I was saying before being interrupted, I am in the embarrassing position of having voted for the abolition of capital punishment. The argument that justified my stand was that there was sufficient danger under our legal system of having an innocent man convincted of murder and sentenced to death. Those risks were sufficient to justify the complete abolition of capital punishment. Now, however, I am asked to vote for a piece of legislation which will permit what I consider murder in a different form, murder in the form of abortion. The government's position in introducing this measure is that the present abortion law is unenforceable. Evidence presented before the Standing Committee on Health and Welfare, which was chaired by Dr. Harley, now retired from politics, indicated that many abortions take place in hospitals under the guise of operations of various sorts, and on kitchen tables, with quacks operating.

Since the abortion section of the Criminal Code is not enforceable, the government feels it is justified in bringing forward this new legislation. In other words, you cannot have legislation that is not enforceable, because then the law becomes a laughingstock. At any rate, that seems to be the major plank on which the government is resting this particular clause of the legislation. No doubt, if I were a member of the cabinet, I should have little hesitation in agreeing that it is the duty of the government to regulate law and order,

even if in so agreeing I had to overcome any moral scruples I might have. It should be noted that the legislation is not mandatory, but permissive. Nobody will be forced to have an abortion.

I find difficulty in accepting the concept of legalized abortion, which I consider murder. I argued, when arguing for the abolition of capital punishment, that human life was sacred. Science has demonstrated that there is no abrupt beginning or ending of human life. When conception has taken place life has begun. If the process begun is not disturbed a baby will eventually be born. In other words, if the normal process of life after conception is allowed to continue, a child will be born. Anything that destroys the continuity of what has taken place will destroy life.

Science has demonstrated the conditions under which the human race exists. We live within a fairly narrow range of temperatures under precise climatic conditions. We must breathe oxygen. If you destroy any of the factors making up the conditions under which I live, I will die. For instance, if you cut off my oxygen supply I will die. If you destroy the conditions under which the foetus may live, you kill it. I think there is a clear analogy between the two examples I have raised.

My opinion is that when we are dealing with abortion we are dealing with the taking of human life, which is murder. It would be easy for me to end my remarks on this note, but I do not think that would be fair to me or anyone else. As I said before, the government's argument is that the abortion section is not enforceable and that the law with regard to it is breaking down. That consideration must weight heavily with the cabinet which is charged with the responsibility of governing this country. As a private member, no such responsibility rests on me and it will be possible for me to vote against this clause during the debate on the report stage. At present I have not made up my mind, but my inclination now is to vote against this amendment.

Mr. Woolliams: Don't worry; you will be whipped into shape.

Mr. Reid: If no additional evidence is brought before the committee to change my mind, I shall be bound, in all conscience, to vote against this clause.

I now wish to talk about the definition of life and death; particularly, I wish to talk about death. A series of heart transplants has taken place during the last two or three years, as a result of which we have had to redefine death. At one time it was said death ensued after the heart stopped beating. Now, it has been defined as the moment when the electroencephalographic or chemical waves cease within the brain. The latter definition is most important since many old people in hospitals show no signs of brain activity yet are kept alive by modern medical methods. Since the Minister of Justice has said that another reform to the Criminal Code will be brought forward, I suggest these points might be considered in that amendment.

Mr. John Burton (Regina East): Mr. Speaker, the amendments to the Criminal Code now before the house have been extensively debated. It is not my intention to repeat points that have already been discussed adequately. However, there are some points I wish to discuss further at this time.

The Criminal Code deals with many areas of the functioning of society and legislates with respect to problems that develop in the interrelationships of people. It touches many matters that involve deeply held views on morals, ethics and social philosophy. This was attested to by the great volume of mail received by most hon. members.

In common with other hon. members, I received a large volume of mail on many aspects of the Criminal Code. Much of my mail was from people expressing an individual point of view. They presented those views in a straightforward manner. Some of the mail was the product of organized campaigns, either in the form of petitions or in the form of a series of letters. This is a legitimate means of expression. I might say that, with few exceptions, my mail was free of undue or unwarranted pressure.

A matter of considerable interest to me in recent years has been legislation with respect to impaired driving. I witnessed the aftermaths of a few catastrophic accidents in which there were indications that one of the drivers involved was impaired because of alcohol. Such events leave a lasting impact on one's mind. I expect hon. members who have had similar experiences appreciate that. I am in favour of a fairly tough line on impaired driving cases and am happy to see the 0.08 per cent blood alcohol level included in the legislation. Experience in many jurisdictions shows that this figure with respect to blood alcohol represents a turning point in one's ability to control a vehicle.

• (8:50 p.m.)

At the same time, I must say that I am not technically qualified to judge the adequacy of

the tests that are proposed. I hope the committee will make certain of this matter before reporting the bill. I must also express some reservations about the powers given police to take breathalyzer tests. While the law as proposed may appear to be clear, I think in practice there will be difficulties when police confront people and on the flimsiest of pretexts demand that they take the test. Will a person who refuses to take a test have a criminal record?

A major portion of the bill deals with firearms control. Again, I must express support for this provision although I feel it would be folly to rely too heavily on the measures proposed as being a solution to the problems involved. There is no question about the need for a tough law for the careless hunter. However, problems of gun control in our large urban centres are difficult to resolve. I received a number of letters from people who were concerned that the proposed legislation would infringe on the legitimate activities of pistol and gun clubs. I followed up these representations and, in the final analysis, people who examined the legislation agreed that it would not interfere unduly with such activity.

Throughout the bill I noted a large number of instances where discretionary powers are granted provincial attorneys-general. While I am only a layman so far as law is concerned, I must question this matter. It seems to me that the possibility of abuse must be considered with respect to some provisions where the guidance set out in the law is minimal. For example, the powers given an attorney-general on lotteries are wide. On the other hand, an attorney general is placed in a difficult spot where he has to judge matters with too little legislative guidance, and indeed this makes it easier to place pressure on an attorney-general.

A number of representations which I received contained a curious mixture of opposition to the proposals dealing with lotteries, homosexuality and abortion. Opposition to lotteries is based on long-standing moral convictions. Frankly, I have no basic views in opposition to lotteries as such. As a matter of policy I would be opposed to state lotteries as a means of raising public funds, but I have not seen reasons why this opposition should be expressed in the form of a legislative prohibition applying to all governments in Canada. Opposition to the proposals with respect to homosexuality is based in large part on a lack of understanding of the nature of the problem and of the opportunities for blackmail which are made possible under the present law. Thus, I feel that the proposals in this bill are in the right direction.

Possibly the most difficult single matter for hon. members in this bill is the amendment with respect to abortion. Widely divergent views are held on this matter, ranging from the view that it is a matter of simple medical procedure with no greater import than that to the view that absolutely no measure to allow abortion under any circumstances is morally tenable. As legislators, we must also take cognizance of the incidence of illegal abortions often performed at great risk to the life and health of the mothers in question. It has been suggested that, as with some other problems, each person might follow the dictates of his conscience. It is not as simple as this with respect to abortion. Here, we are dealing with life itself. The state has an obligation and duty to protect human life where it exists. Extremes of views exist on the question of when human life begins.

These views range from the proposition that human life begins at the moment of conception all the way to the view that it begins only when the umbilical cord is severed. I hold no dogmatic view on this question. Indeed, I think no one can assert with finality on this question. However, it is clear that human life does exist prior to birth. Various indicators of the progression of life, such as the stage at which viability is possible, beginning of movement, and foetal heart beat, are constantly being pushed back to an earlier stage of pregnancy, and show that there is no one moment during pregnancy which represents a sharp change in the stages of development. Indeed, more evidence points to the fact that development of the foetus is gradual and continuing throughout the entire pregnancy.

Under these circumstances, it is incumbent upon the state to be extremely careful in legislating. Steps should not be sanctioned that could represent the taking of life. I reject any attempts to justify abortion legislation on the grounds that the state through other actions, such as in police action, war, execution of criminals, etc., has been deemed to have the right to take lives or take action that may or will result in loss of life. Surely, no comparison can be made between an innocent unborn child and an adult who has no regard for life or who may be defending other lives.

Indeed, it would be well for hon. members to reflect on the fact that unborn lives in the womb are the same sort of lives possessed by ourselves, our families and all members of

society. The unborn child has rights as well. Indeed, it might be well to note in comparing our lives with unborn lives that none of us had any say or control over our coming into existence, our birth, and indeed we were well into our lives before we could have even grasped the thought that we have some control over the question of whether we should continue our own lives. Thus, I cannot see my way clear to supporting this section of the bill. It is very vague in some of its wording and meaning, but gives full recognition to a principle that I am not now prepared to recognize.

At the same time, I urge that more work be done to resolve the outstanding questions involved. This involves a decision by many people to allow a full and honest inquiry into all aspects of the matter, and means that some people must be prepared to examine fully previously held dogmatic assertions and assumptions. Other proposals may come forward. Indeed some of my colleagues, as stated by the hon. member for York South (Mr. Lewis), will move an amendment to remove the abortion provisions altogether from the Criminal Code. In some respects this may be preferable. It would mean that we as legislators, would not be giving legislative sanction to this particular matter. Nevertheless, it leaves the question of whether we, as legislators, are avoiding an important responsibility.

In my views on this subject I differ from the policy of my party and of the majority of my colleagues. I respect the sincerity of views held by those who differ with me and I acknowledge and appreciate their respect for my views. It made me proud to be a member of the New Democratic party when I witnessed the ready recognition of these rights and the absence of pressure to conform. I know some hon. members opposite who not only have to wrestle with their consciences but also have to face the pressure of party whips and of the cabinet will envy my position.

I recognize that there is a widespread disposition to approve the amendment on abortion. If it passes it becomes the law of the land, but I sincerely hope hon. members will give further study to some of the implications of the amendment. I wish to enumerate some of the points that concern me.

1. Is not health a very vague term to include in the section as a justifiable reason for an abortion?

2. How will this provision operate in practice? There are a number of factors such as the relationships of doctors, hospitals, etc., which need to be carefully considered.

3. Is the position of the hospital that does not want to have abortions performed protected, and is the position of hospital employees who do not want to participate in an abortion protected? The doctor is protected who does not want to perform an abortion because he can simply refuse to do so, but nurses and other employees who refuse to do so may find their jobs in jeopardy. Certainly, their position should be protected.

4. Should there not be provision for a review after five years, such as is the case with capital punishment? This would involve continuing studies during that period which could contribute to a more knowledgeable decision when the time comes.

Thus, Mr. Speaker, I am in the position where I feel some items such as legislation against wire tapping, the abolition of corporal punishment, reform of the bail system and other matters are not included in this legislation, although the Minister of Justice (Mr. Turner) has indicated that some further amendments are forthcoming. I feel most of the bill represents a step forward in criminal law. However, there is one major item with which I do not agree, and that is the amendment with respect to abortion. The opportunity, however, is available for all members of this house to decide on this one particular provision. Since most of the bill represents a step forward in criminal law, and since it has been acknowledged that in practice the new abortion section is not likely, as it is worded, to result in extension of the practice, I feel I should support the bill but will oppose the section on abortion when an opportunity is presented.

• (9:00 p.m.)

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, my remarks will be brief because I rise for the purpose of protesting the action of the government in bringing to this house Bill No. C-150 in its present form and giving us no alternative but to vote either for or against a package which deals with many varieties of situations. This package is given to the members of the house to swallow as if it were a pill. I find some of the contents of the package are acceptable, but they probably make up the sugar coating of the bill and are probably intended so to be. I am convinced, however, that inside the sugar coating there are some ingredients which may be properly classified as poison so far as the general public good is concerned. For that

reason, I protest the presentation of the bill in its present form.

Let us just read the motion which is before us:

> —motion of the Minister of Justice for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, An Act to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act.

If there ever was a bunch of hash all put together in one package, this is it. Then, the minister has the effrontery to sit here and smile about it, as if it were something we should enjoy. Not only do I not enjoy it but I find a good many things about it entirely unacceptable. Our leader this afternoon informed the house that so far as our party is concerned, the vote will be free. I listened very intently to various speeches made in connection with this bill because I consider it a very important one and something which should not be decided quickly.

I heard the opinion advanced by some members that we should vote for the bill because of some of the good things contained in it. I find myself inclined to vote against it because of the bad and undesirable things contained in it. That is my reaction. The purpose of the bill is to legalize certain things which I submit are demoralizing and degrading. I refer especially to homosexuality. I should like to ask the minister whether, before this debate is concluded, he would inform the house what the practice in past years has been when amendments to the Criminal Code have been submitted to the house. I would wager, Mr. Speaker, that such amendments have always been presented as amendments to the Criminal Code and have not been wrapped up with a lot of other things. That is my opinion, although I have not looked up the previous procedure.

Surely, the members of this house are able to deal with such questions on a non-partisan basis, on a basis which they are convinced will result in the well-being and general good of the people of Canada. Surely, that is a proper approach. In dealing with something as important as amendments to the Criminal Code, why should we not deal with amendments to the Criminal Code only? Instead, we find these amendments wrapped up with the various other statutes which I have just mentioned, including the Customs Tariff. What is the relationship between the Criminal Code and the Customs Tariff?

[Mr. Flemming.]

In presenting the bill as it has, the government has left itself open to the charge that since there are so many things in one package there must be something to hide. I submit the procedure is capable of that interpretation. Therefore, whether that is or is not the case, I am sure all members will consider they should examine the bill with great care.

I am not speaking about the bill from a legal point of view or from a therapeutic medical point of view. I am just dealing with this matter as an ordinary citizen of Canada. I object to having our Criminal Code amendments wrapped up with a lot of other things which certainly have no connection whatsoever with the Criminal Code. I submit that the government is deserving of the censure of the house for having presented the bill in this form.

I speak from the standpoint of what I believe may contribute to the improvement of the general moral tone of our people; I speak from the viewpoint of conscience, if you like. Certainly, I am a person who has no reason to advance an argument concerning why a person's approach to a decision of this nature should not be made in the light of his conscience. There certainly is nothing wrong with that. I believe our effort should be to improve things, to restrain evil and to contribute to the well-being of all our people. So, I object to the mixing up of these amendments with other statutes.

We are still considering second reading and referral to a committee. Well, the approval of second reading has been approval in principle, and I presume still is. This afternoon the hon. member for Lotbinière (Mr. Fortin), to whom I listened with great attention and who I believe deserves a lot of credit, asked for a free vote. So do I, and that is what we in our party are going to get. The feature in the bill to which I particularly object is the homosexuality feature, because I do not think that anything that degrades the moral tone is good legislation.

I know hon. members might argue that it is necessary to do something because homosexuality is already being practised. But that same argument could apply to murder because murder is not non-existent; it could apply to stealing; it could apply to many things which come under the Criminal Code. So, if one wanted to argue, he might say that we must legalize stealing, we must legalize perjury, we must legalize murder because there are occasions when they are practised. I submit the fact that they are practised is no reason to place the label of respectability on them. That

is my point. The Minister of Justice laboured the other day in an attempt to justify this measure, but I for one think he did a pretty poor job. Usually he is very convincing and persuasive, but in this case he was arguing against something which, in my opinion, he did not believe. One cannot do that and make it stick. That is what he was trying to do. He did not do as good a job as he usually does.

• (9:10 p.m.)

What do we do when we vote on this measure? We have to vote either yes or no. We must know what is the responsibility of the government in presenting a bill in this form. There are some items in the bill which are acceptable; for instance, those items in respect of safety on the highways. Nothing could be more important. There has been some mention of lotteries. I am not sure I have any strong views in this regard, but steps are being taken to deal with this situation and I have no doubt these steps are considered to be steps in the right direction.

Why should we wrap up all these measures together? I assume the government is trying to hide something. We are being asked to legalize homosexuality if we vote in favour of this bill. There is no question about that. We are being asked to put the stamp of respectability on something many of us do not feel is respectable. I, personally do not propose to do this and I am not going to vote for this section of the bill. I find no fault with someone who does vote in this way because that is an individual's right of choice. I cannot vote to place a stamp of respectability on something that is degrading and demoralizing to our people. I realize—

Mr. Broadbent: Mr. Speaker, I should like to ask—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent) is rising to ask a question.

Mr. Broadbent: Would the hon. member permit a question, Mr. Speaker?

Mr. Flemming: I do not think I should yield the floor.

Mr. Woolliams: Not to him, anyhow.

An hon. Member: Let him make his own speech.

Mr. Flemming: Mr. Speaker, there is no reason why the hon. member cannot make his own speech.

I have not dealt with the subject of abortion. It is my feeling that this is a difficult question in respect of which one cannot make a snap decision. I was impressed with the speech this afternoon by the hon. member for Lotbinière (Mr. Fortin). Obviously he has made a great study of this matter. He cited various changes in words that could bring about a lessening of the restraint and respect for embryonic human life. I am sure everyone will acknowledge the importance of human life, whether it is embryonic or full-fledged.

This is a question which can best be answered by medical people. Perhaps members of this house can argue this question, but nevertheless it does involve a form of human life. I find it difficult to argue this subject because I have not given it the attention which I think its importance deserves. I do believe, however, that we must all acknowledge one fact. The government should have presented amendments to the Criminal Code in such a way that it would be possible for members of this house to give attention and care to these separate and important matters.

I listened to speeches by hon. members on the other side of this house who referred to the question of abortion. No doubt they felt they were justified in arriving at the conclusions they tried to put across. I find no particular fault, but I do say it is difficult to argue one way or another in view of the conflict that exists in the specific situations presented to the house this afternoon.

Let me content myself by saying I feel that the government is deserving of censure for the way it has presented this bill. It should have presented an amendment to the Criminal Code on an absolutely non-partisan basis, and in such a way that it could be examined by a committee. In this way, members would receive the advice of expert medical men and the opinions of experts from other countries which have made changes. All of these things could have been done had we concentrated on one thing at a time.

As a result of the way the government has presented this bill, the committee will be examining seven different things. According to the remarks of one member on the government side of the house, government members are told not to tamper with any bills before committees. That is what one member on the Liberal side has said. They have been told not to make any changes. What is the use of referring these matters to committees when members know that their efforts have been throttled before they begin? Those are not my

words, those are the words of the hon. member for York East (Mr. Otto). I have a copy of his letter. Someone sent it to me but I do not think it was sent by him.

In concluding my remarks, let me say that I appreciate the attention of hon. members in the house and I hope that I have made my point in connection with the bill before us.

• (9:20 p.m.)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, it would be difficult for me not to speak on this bill before it is referred to the committee, if it ever is. However, I want to spare the house the obligation to listen to my comments on every clause of Bill C-150, as well as on the clauses that are not in it.

Most members of my party have spoken on almost all of these clauses in order to bring them to the attention of the committee.

I personally have had the opportunity to speak on Bill C-195 sponsored by the then Minister of Justice, now the Prime Minister (Mr. Trudeau), which is a true copy of Bill C-150. That is why, today, my remarks will be restricted to the clauses dealing with abortion and homosexuality, after having agreed in principle to all the other clauses of the bill.

Even on those two scores, I shall limit myself to a short review of the present debate and dwell mainly on the positions of the various parties pointing out afterwards some statements that were made in the house. I thought that in so doing we could reach conclusions beneficial to hon. members and instructive for all the committee members.

In order to dispel any possible ambiguity concerning statements that all my colleagues tried to make clear, I shall summarize our positions.

First of all, with the exception of the clauses covering abortion and homosexuality, we shall support the amendments contained in Bill C-150, perhaps with some minor changes.

Secondly, as homosexuality and abortion involve religious and social responsibilities, we shall require that those subjects be treated separately, in order to allow separate and free votes on each of them.

Thirdly, I dare hope that the committee will grant us what the house has always refused us, namely that the right-thinking members of the committee will vote in favour of deleting the words "mental illness of the mother" from the section on abortion.

[Mr. Flemming.]

And lastly, we require that the amendment concerning homosexuality be simply deleted from the bill.

I have noted that most of the English-speaking Liberals, for very few French-speaking members dared talk openly before their constituents, tried mainly to defend and support the bill. The hardest task was to find worthwhile arguments to make people swallow the pill. I believe that they have not succeeded. The medicine is by far too bitter, especially for Roman Catholics. Nevertheless, I wish to congratulate those hon. members who had the courage to stand up for their religious and social convictions. Anyway, we feel comforted when we realize that even though there are among our Liberal friends some elastic consciences that I might compare to balloons, we have reason to thank those who still know how and are anxious to preserve their identity. And thank God this is the great majority, both among Liberals and members of the other parties.

I shall make no secret of the fact, Mr. Speaker, that I have talked to many of them and that they do not all agree since some will object or will abstain from voting if the amendments proposed are not accepted in committee.

I was most interested by the reaction of the Liberals to certain petitions asking them to oppose the bill as it now stands. I understand how hard it is for them to find a valuable excuse in the face of the growing increase of objectors. Here is what they most often reply. It was imposed upon them on the order of the great chief who so ruled it. Abortion is not so serious since the bill tends only to save the mother's life. It is an over-simple and childish answer which does not reveal all that is hidden in the substance of the amendment to the act.

They reply also that the amendment on homosexuality only aims at preventing police agents from breaking into private bedrooms so that adult couples of the same sex be not disturbed or still that the amendment relating to homosexuality does not tend to legalize homosexuality. A law is probably introduced to "delegalize", something of which I would have never thought, Mr. Speaker.

Are they not conscious of the fact that this bill will legalize cohabitation and all sexual relations between two men or two women. they should stop laughing at people with this matter of relations between men and women.

Some hon. Members: Hear, hear.

Mr. Gauthier: It is still another contrivance of the big chief, I suppose. Some made a point of adding to their comments on the bill stories which could bring tears to the eyes of the most hardened persons, stories moreover, which were unrelated to the specific point to which we object.

In fact, Mr. Speaker, if that amendment was solely meant to save the life of the mother, we would not have to alter the present legislation. I would even add that all our consciencious physicians have always respected that compulsory reservation. But the bill goes still farther, since it adds:

—to protect the mental health of the mother—

This is a door opened to abuses. There remains only to establish a small board made up of three physicians specializing in abortions and that is it. It is easy for a physician who wishes to do so to diagnose symptom of mental illness in a pregnant girl or woman. Since according to the testimonies of the highest medical and religious authorities, any abortion is a real murder, who would be ready to authorize such a butchery of innocent and harmless unborn children?

Some suggest that it is not a religious matter. They are free to do so, but any practising Catholic must condemn such a criminal act on account of the great commandment: Thou shalt not kill. Indeed, if all sins are not necessarily criminal, on the other hand, all crimes are necessarily sins.

All true Christians to whom the law of Christ forbids to take part in such a crime, and all decent men to whom the mere law of nature inspired the bill of rights should be strong enough to stop the movement toward legalized infanticide.

Indeed the bill of rights says that the greatest of fundamental rights is the right to live.

• (9:30 p.m.)

Therefore, I appeal to all Catholics and all Christians who represent about 80 or 90 per cent of the house. I also call upon atheists who have still a little sense of humanity, to remove from the bill on abortion the words I mentioned earlier and, for goodness sake, let there not be any more ridiculous comments such as those we have heard a few days ago from someone who likes to criticize everyone else without ever looking at himself in the mirror at night. In fact, that member concluded his comments by saying: Mr. Speaker, personally I am against abortion and homosexuality and I shall vote for both. After that, the only thing to do is to dry up.

The Conservative members who spoke insisted that the bill be divided, in order to vote separately on each aspect.

We have supported them because we refuse to swallow the pill. We also realize that among them, opinions are divided according to religious denominations and it is only natural to find differences among lay people on such delicate matters. Besides, the same disagreements can be found among theologians.

The member for Egmont (Mr. MacDonald) has presented himself as a theologian—something I never doubted—although we have not read the same authors nor had the same professors, and it is only normal that we should differ regarding the bill, because I emphasize particularly that I am discussing only what is written in the bill, not what should or could have been in it.

As for the members of the New Democratic Party, most are well known for their avant-garde ideas, that they call sophisticated. But I always considered these ideas as being not too catholic. The leader of that party in the house made it very clear when he stated that part of our criminal legislation was formulated at a time when the clergy was greatly influencing popular beliefs and morals and dictating to our society most of its attitudes.

Since then however, he said, our society has evolved. We now have a pluralist society, where it is no longer possible to impose on a religious group the generally accepted views of society.

If the remarks of that hon. member could be applied to our financial system, it would be marvelous. But in the realm of religion, I will tell him that whatever he may think it is certainly not progress to follow the downward path of a materialistic and atheistic minority.

Unfortunately that is the modern trend. Indeed we had a sample of it when listening to certain New Democratic party speakers. One always wonders what they are driving at. If there is a traitor to hide, they join in. If there is a notorious criminal to defend, they join in. If there is a revolutionary principle to expound, they again join in.

They are the ones, probably in collusion with the Liberals, who abolished the death penalty, and that in spite of the opposition of 90 per cent of the population. At that time they were crying over the fate of the worst Canadian criminals.

Now they are urging the government to legalize the murder of innocent beings, and immorality in all its forms. Moreover, according to the hon. member for Vancouver East (Mr. Winch), the minister does go far enough in his legislation. After speaking on everything that was not in the bill, he begs the Minister of Justice to have much harsher legislation passed for the protection of animals, which he claims to love with all his heart. What should one think about such reasoning, Mr. Speaker? I think that it is simply preposterous, and the committee must examine all his statements to help him compare contradictions.

I am sure that we have in this committee enough members who still have a conscience and who are still able to use it with all freedom, and I ask them to make a Christian gesture, a human gesture by simply removing those two sections from this bill. And, in order to help them, I shall quote a letter. I had as good as promised you not to quote any one, but I am almost compelled to quote this letter I received from a parish priest from Quebec. He makes his opinion known. It may be of help to the committee members! This is what this priest has written:

I want to add some explanations to my answer—

—about abortion and homosexuality.

If I had to vote on this bill, I would vote against it, as the Prime Minister is not willing to split it. Yet there are many good things in the bill—

I mentioned it at the start also.

—as the bad is deliberately mixed in with the good, while it would be so easy to separate the two, my conscience would compel me to vote against it.

Incidentally, by refusing to break up this bill, the Prime Minister is committing an outrage against the conscience of the members of his party; they are compelled to choose between their conscience and their loyalty to the party. I am afraid that, in the liberal camp especially, servility—

—if you will forgive the expression—

—before a Prime Minister who abuses his authority by not respecting the conscience of his members, partisanship, or loyalty to the party may win over conscience. If there were several liberal members with courage enough to say frankly to the Prime Minister: "Split the bill and give the members a free vote, or else we shall vote against this measure even if the government must fall; we prefer to follow the dictates of our conscience than to abide by the requirements of party solidarity"—I am sure that the Prime Minister would then give in. But I very much doubt that there are at present in Ottawa, in the liberal party, enough men with the necessary courage to do this.

[Mr. Gauthier.]

By the way, I am personally convinced that there will be enough honest liberal members to amend some sections of this bill. I quote further:

—As to the bill on abortion, it is lousy.

A—It is supposedly an attempt to legalize what was being done illegally. Big deal! the government does not have to give in to immorality, but rather to make sure the rights of the citizens are respected; and the first of these rights is the right to live.

B—It was said that this bill had to be passed because we lived in a pluralistic society.

What a stupid argument! It is the duty of a government which realizes its functions to protect the weak against the abuse of the powerful. No pluralistic argument can authorize a government to side with the executioners.

Is there a weaker and more defenceless being than a tiny child in his mother's womb?

C—This bill is a backward step for civilization. In the past, a father had the right of life and death over his child. The advances of civilization led to the realization that God alone was the Master of our lives; this right is passed on to the State under certain definite circumstances.

Whether they admit it or not, when passing this legislation on abortion, the government legalizes murder.

This bill brings out their revolting inconsistency.

Last year, capital punishment was abolished by a legislation for a number of criminals; however this year with another piece of legislation we are condemning some innocent beings in their mothers' womb. As far as logic is concerned, we have seen better examples of it.

Mr. Speaker, that was just a letter from a parish priest and if ever you wish to collect them, we have received them by the thousand. In fact, we have asked for them and sent out questionnaires to our constituents, and I can assure you that today in Quebec, 95 per cent of the people share our opinion.

• (9:40 p.m.)

Mr. Loiselle: That is not true.

Mr. Gauthier: Somebody shouts that it is not true and moreover it is an hon. member from Montreal. I invite him to look into the reports I have and out of 2,000 letters—

Mr. Loiselle: They are not all ignorant people in the province of Quebec.

Mr. Gauthier: I have nine. They may be ignorant but they are moral. It is much better to be moral than to be too learned and immoral.

I had others, Mr. Speaker, namely the one from—

Mr. Loiselle: Do as your vicar tells you and you will go to Heaven.

Mr. Gauthier: —*l'Alliance pour la vie.* Besides, all the members got it and that is what I find surprising.

While we are trying to plead our cause, we hear them bleat over there. It hurts them. But let them go back to their own constituency to clear up things. They will hear some squawking. Let us stop all this cheating, misleading people; let us tell them what this rotten bill is all about. If we speak today it is so that people may understand every word in the bill.

I am sure that if a referendum were held on this bill in the province of Quebec, the bill would be defeated right away.

Mr. Loiselle: Come to Montreal for the next elections.

Mr. Gauthier: I went on the island of Montreal and although it is now called a bomb city I was surprised to see that there are still serious-minded and right thinking people there.

Mr. Loiselle: You were not elected either.

Mr. Gauthier: Mr. Speaker, the time allotted to me is running out and I would like to know what the hon. member is saying because we hear them...

The Acting Speaker (Mr. Béchard): The honourable member for Roberval has the floor right now.

Mr. Gauthier: I thank you very much Mr. Speaker for taking care of the situation because he is gobbling up all my time.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gauthier: I have been a member of this house for seven years. I have always found it strange that, as soon as we wish to debate a problem there is always a small group of French Canadians who try to "block" us. I find that discouraging. Some of them are good as I said, and I thank them. On the other hand, it is always the same ones who come and gather here, who often change seats in an attempt to make noise and prevent us from speaking. Well, no, Mr. Speaker, I am a bit like St. Paul: I cannot help speaking. (*Applause*)

I hope that my remarks will be useful to the committee and to all my Liberal friends, and that they will light again the little flicker of conscience that remains in them.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I thought that the honourable member for Saint-Henri (Mr. Loiselle) wanted to speak—

Mr. Loiselle: Mr. Speaker, the member for St-Henri has already made up his mind. It did not take him a seven day debate to do so.

Mr. Speaker: Order.

Mr. Loiselle: You will get a taste of your own medicine. You will fall into the canal and stay there—

Mr. Speaker: Order, please.

Mr. Loiselle: Mr. Speaker—

Mr. Speaker: Order. There is a very basic rule of this house which states that no member who has the floor must be interrupted.

The honourable member for Abitibi (Mr. Laprise).

Mr. Laprise: Mr. Speaker, it is my turn to express my opinion on Bill No. C-150, which the Liberal government suggests we should adopt today.

The minister seems in a hurry to have this bill passed on second reading, which would acknowledge the principle of it and I would fail in my duty if I did not freely convey in this house the opinion of a large majority of my constituents who have taken the trouble to write to me, either individually, or collectively, asking me to oppose a number of clauses of this bill which are inconsistent with everything that is human and Christian.

In my opinion, the subject matter of this bill should have been divided among several different bills that the members could have considered more fully. This would have enabled them to better understand the implications of the proposed measures, and to do a better job.

By packing Bill No. C-150 like an overcrowded bus, the government gave the Canadian public the impression of having something to hide and it tried to take the opposition members by surprise, or at least those who object to some of the reforms proposed in the bill.

There are, in this bill, some amendments which seem excellent to me and which could have been approved very quickly, had they been introduced separately. Those amendments will suffer from the delay due to the stubborn refusal of the government to give parliament a square deal.

Since the time allotted to me is running short, I shall not waste it on measures which appear acceptable to me such as the use of the breathalizer which has become a necessary method of stopping the slaughter on our highways. The results obtained in countries where this measure is applied, especially in England, lead me to approve this drastic measure designed to protect our drivers. A few months ago, a Conservative member of Great Britain was telling me that even if he had objected to that legislation when it was passed in England, he had to admit now that it was a good one since it had reduced by 33 per cent the number of fatal accidents.

There is also a clause legalizing lotteries, naturally, under certain conditions; while I agree with that amendment, I do not feel that it will be the key or the solution that will save the provinces or the large municipalities from the stagnation in which they find themselves; at best, they will be a voluntary tax, where the tickets may be sold under pressure and of which the individual will pay the cost.

Other amendments are proposed in the bill which are of great importance; they deserve that we reflect upon them at length because of the results which can be foreseen if they are adopted and implemented. I am thinking of the amendment legalizing homosexuality and abortion.

I tried to understand why the government should want to legalize homosexuality. The Prime Minister himself has told us that the government has no business in bedrooms, and I agree with him.

At the present time, the government or the police cannot see what goes on between two people behind closed doors; but it is the responsibility of the police to see that certain things do not go on in public, are not seen in theaters, on street corners or in public places. Fortunately, the proposed amendment will not allow more freedom in public than before.

The only effect the proposed amendment on homosexuality will have, if it is passed, will be to indicate that the government approves what God himself condemned so emphatically.

At this point, Mr. Speaker, to support my allegations, I would like to quote a few paragraphs from an article recently published in "L'Equipe":

> For Christians, Saint Paul's warning in his Epistle to the Romans is cause for reflection; speaking of the moral concept of pagans towards creation, Saint Paul wrote:
>
> "For this cause God gave them up unto vile affections: for even their women did change the natural use into that which is against nature:
>
> And likewise also the men, leaving the natural use of the woman, burned in their lust one toward another; men with men working that which is unseemly, and receiving in themselves that recompense of their error which was meet."

And the article adds this

> It is about time that one seeks to revalorize the roles of man and woman rather than enacting "legal" measures which degrade them.

• (9:50 p.m.)

> It would be much more profitable to teach men how to become more masculine and women how to become more feminine; all would benefit and the society would be better off. Otherwise, we are heading directly towards revolution, if not decline.

Mr. Speaker, since the beginning of this debate, we heard hon. members speak in favour of legalized abortion, others against it. For personal reasons and also because of representations received from my constituents, I am opposed to the legalization of abortion.

I read with deep interest the proceedings of the committee on health, welfare and social affairs which received briefs and heard eloquent and well-prepared evidence on abortion and all its implications.

The hon. members are not the only ones who have considered and weighed this amendment to the Criminal Code. Other highly qualified people and organizations, after serious consideration, have declared themselves against making abortion legal as it is proposed to do.

I have here a petition signed by 100 citizens from my constituency. These people are opposed to the legalization of abortion for reasons which I would like to enumerate:

> In regard to the amendments presented to the House of Commons by the Minister of Justice—

It was then Bill C-195, which has now become Bill C-150.

—we wish to bring to the attention of our elected representatives our position on the matter of abortion.

In keeping with the human rights, based on natural law, we reaffirm the basic principle of the right to live for every individual and of the respect for life.

I. Whereas abortion constitutes an irrevocable act of aggression against an embryo or a foetus,

II. Whereas the embryo or foetus are regarded by almost every scientist as human beings, existing at a given stage of their development,

III. Whereas our present legislators have rightfully brought the respect of life to the point of abolishing the death penalty except in some definite cases,

IV. Whereas public morals and the commonweal are seriously jeopardized through the acceptance of a bill in favour of abortion "when continuation of pregnancy endangers or could endanger the life or the health of the mother",

V. Whereas the experience of several countries indicates that the terms of this legislation could very easily be wrongly interpreted by ignoring the sacred principle of the right to live.

For all these reasons, we object to any further extention of the abortion bill.

Moreover, we feel it is our most strict and urgent duty, as well as for our representatives, to urge those who govern our country to pass most urgently, not negative measures nor short cut solutions such as abortion, but rather positive and preventive measures, the only true, efficient in-depth solutions to problems which, unresolved, leave abortion practices as the only means of escape.

Mr. Speaker, that is exactly what my leader, the hon. member for Témiscamingue (Mr. Caouette) was recommending earlier in the evening.

I continue my quotation:

In consequence, we recommend the establishment of social and sexual education organisations, including all consultation, guidance, support, and protection services, and at all social levels and in full respect of strictly constitutional jurisdictions, namely: training courses for youth in school and recreation, subsidized premarital courses, consultation centres for couples in trouble, family courts, protection and rehabilitation courses for unwed mothers and abandoned youth, etc.

Mr. Speaker, that is a petition I received; it is signed by over 150 of my constituents, and if anybody wants to check the list, I have it here.

Besides, more than 500 people have written to me personally to let me know they are against this bill. Others, through the Foyers Notre-Dame, a highly respected organization sent me advice in the name of their group which represent the Foyers Notre-Dame from the dioceses of Amos and Timmins. I would like to quote their remarks.

The present legislation only considers a child as a human being when it has completely proceeded from its mother's body.

On the basis of this restricted definition of a human being, the legislation considers as two different crimes the fact of killing a child when it is out of its mother's womb and the fact of killing an unborn child.

Why the difference?

We submit the legal definition of a human being should be revised in order to consider as human being every fecundated ovule from the moment of the conception.

In effect, from the moment male and female cells unite, the new being thus produced possesses in itself the principle of organization which will allow the initial cell to grow, to multiply and to give birth to all internal functions which will become its organs and later will make a complete human being of it. Life begins as soon as the being makes a whole, bearing in itself the principle of its internal organization and development, which happens at the moment of the conception.

Therefore, bringing about the death of an intrauterine child should be considered in the legislation as murder and punished as such.

No doubt there will be no question in the course of further debates of allowing all types of abortion. One will only ask whether therapeutic abortion should not be allowed for certain medical, social, psychological, eugenical or other reasons.

The present law allows steps to save the mother's life, even if this accidentally causes the death of the child that she is bearing (9).

Mr. Speaker: Order. I must draw the attention of the hon. member for Abitibi to the fact that it is ten o'clock.

[*English*]

Mr. Woolliams: Mr. Speaker, I wonder whether I might make a suggestion. Since we have had quite a discussion at this stage and I think we over here are in accord, I was wondering whether it might be possible within a few minutes to finish the debate tonight and to have the vote so as to determine whether or not this bill should go to a committee?

[*Translation*]

Mr. Fortin: Mr. Speaker, we strongly object to the proposal that the hon. member has just put forward as we think that some very important legislation must be passed. Moreover, some members of our party still want to speak on the omnibus bill.

• (10:00 p.m.)

[*English*]

Mr. Speaker: Order, please. The time being ten o'clock, the motion to adjourn the house is deemed to have been put and seconded under the provisions of Standing Order 40. The question therefore is that this house do now adjourn.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

CANADIAN ECONOMY—REMEDIAL MEASURES CONTEMPLATED BY GOVERNMENT

Mr. Henry Latulippe (Compton): Mr. Speaker, last Thursday, I asked the following question:

Would the minister tell the house which action the government intends to take to remedy the weaknesses of government policy in matters of unemployment, industrial wind ups and price stability?

My question was made up of three different parts. I thank you, Mr. Speaker, for giving me tonight the opportunity to discuss this problem. As a matter of fact, it is a problem that can be discussed very rarely because there is not enough time to do it, even if it is a problem of the highest importance.

I thank you, Mr. Speaker, for the privilege of asking my question again to the Minister of Forestry and Rural Development (Mr. Marchand).

In taking this opportunity, I am asking once again the same question to all hon. ministers and members, specially to those who are particularly responsible for the economy on the national scale. Unemployment, bankruptcies or industrial wind ups, increase in prices, those are three economic factors that prove the weakness of the government policy in the economic field.

Why is unemployment increasing? Why do our industries close their doors or fall into the hands of foreign capitalists? Why do prices increase during a period of growing unemployment? Those are the various questions that I want to bring up tonight and to which I would like some answers.

Those three obvious indications of nationwide economic trouble should open our eyes, should make us aware of the weaknesses of our economic policy, and compel us to correct the causes, before the population is even more adversely affected.

Let us not waste any more time proving that such difficulties exist. Everyone admits that they do. Newspapers mention them every day. All sociologists are agreed that the rich are getting richer while, at the same time, the poor are getting poorer, within the boundaries of one country and in all the countries of the world.

This gap is forever widening, Mr. Speaker, between the poor countries and the rich ones, between the under-developed countries and the highly industrialized ones. But even in the latter, there are the same widening gaps between the prosperous citizens and the indigent ones.

The trouble being general, it is all the more tragic. Instead of letting it spread, we should without delay look for adequate remedies. There is no point in maintaining the same economic policies to correct the ills that they have brought about, directly or indirectly. It is our responsibility therefore to call the attention of the ministry on that point while avoiding criticizing anybody.

I find that since the new government took office on June 25 last, the same dropping curve persists and the same economic policy on the part of the government inevitably leads to the same results. Consequently the economic situation deteriorates instead of improving.

There is more and more division in Canada as the gap widens between the poor and the rich and the system proves increasingly unfair with the rich getting richer while the poor are getting poorer.

That situation being recognized and accepted, I might point out that the Prime Minister (Mr. Trudeau), as reported in yesterday's newspapers, stated before the students of the University of Montreal that the true solutions to the problems of our day have not been found yet.

In that respect, I would say that the Prime Minister is right—

Mr. Speaker: Order. I think that the hon. member's time has expired.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I wish to use these few minutes to reply to the hon. member for Compton (Mr. Latulippe), who, in his question, has touched upon three different subjects: unemployment, the closing of some industries and price in stability.

We have just heard the hon. member's plea. While listening to him, one would believe that Canada is now in a state altogether deplorable, terrible and not to be envied at all. One should not always look on the black side of things as the hon. member does in

respect of the various bills introduced by the government.

A while ago, he was referring to another bill that he considered to be abominable and inconceivable. I am still looking for some coherence from that party. Of course the government will most probably bring some emendations, but to claim that the solution may be found at a moment's notice is an entirely different matter. I do not believe that any member in this house has found the magic wand and it is a foregone conclusion that is will not be found hy the Ralliement créditiste.

Some hon. Members: We want an answer.

Mr. Loiselle: Well, if you want an answer, let me have my say and I shall try to give you that answer.

First of all, one must see things clearly. You are elected by the people and your job is not to constantly attack and criticize the government, to tell them what to do and what not to do.

What are you suggesting as an alternate solution?

Since the beginning, you have done nothing else but criticize. Certainly no Créditiste government will correct the situation.

Mr. Speaker: Order. I must remind the parliamentary secretary to direct his remarks to the Chair.

Mr. Loiselle: You are perfectly right, Mr. Speaker, but when hearing certain things one sometimes lets one self be carried away. That is what happened to me.

Now, Mr. Speaker, if I can try not to lose my temper over the unkind remarks of the member for Compton, I would like to point out to him that with regard to unemployment, hiring has increased. In July last, there were 5,533,000 positions and in January—when unemployment is usually worse—there were all the same 7,753,000 positions.

The rate of unemployment in January is still lower than in December. Indeed, it went down from 4.8 in December to 4.3 in January. Mr. Speaker, from January 1967 to January 1968, there were in Canada some 324,000 new positions. I do not think that any one can say that conditions are deteriorating, since within a year, they—

Mr. Speaker: Order, order. The time alloted to the hon. member has expired.

Proceedings on Adjournment Motion

INDIAN AFFAIRS—YELLOWKNIFE, N.W.T.—REGULATIONS IN AKAITCHO HALL

Mr. David Lewis (York South): Mr. Speaker, the question which I have asked the Minister of Indian Affairs and Northern Development (Mr. Chrétien) about Akaitcho Hall arose out of the fact that never since I first read Dickens have I known of a school residence where the conditions were as outrageous as they are in this residence under the direction and the authority of the minister and his department. The people in this residence are treated in a way which is puritanical, oppressive, insulting and degrading. I cannot speak indignantly enough about this situation.

You are dealing, Mr. Speaker, not with children you are dealing with 200 people the average age of whom is 18½ years, ranging from 14 to 24. The hall was originally built to accommodate 96. It now accommodates about 200 and instead of two to a room you have four to a room, just about as serious overcrowding as you can have in a school residence. These young adults are treated like children. They cannot leave the building without obtaining a pass, and when they return they have to hand in their pass. Their language is censored. They are told they must not chew gum in the hall. We are dealing with grown people. The type of clothing they wear is regulated. In fact, if the Prime Minister (Mr. Trudeau) wore an ascot and sandals and appeared at a cultural hall, he would be dismissed from the school. They cannot visit their friends in Yellowkinfe without special leave or enter any home in Yellowknife without special leave from the superintendent or one of the supervisors. They cannot have visitors without special permission. Riding in cars or taxis on the streets is prohibited. If someone comes to Yellowknife to stay at the school that person's car must remain parked for the entire duration of the visit. The behaviour of these young adults with the opposite sex is governed by a degrading, insulting and childish regulation. I have a copy of the regulation before me, and I shall read it:

> Young people of opposite sex are naturally attracted to one another. There is no intention on the part of staff members to destroy such friendships. However, such friendships must be kept strictly controlled in conduct.

What is the conduct that is permitted? I shall read further:

> Specifically, the holding of hands on walking trips to town and perhaps occasionally in the hall will not be objected to, but any personal contact other than this is not acceptable.

I am reminded of the personal contact the Prime Minister had during the last election campaign with the opposite sex. There is supposed to be a student council but the student council is composed of five members, three of whom are appointed by the superintendent and supervisory staff. One member is responsible for the boys and the other is responsible for the girls. When an attempt was made to set up a proper student council everyone concerned with the attempt was intimidated and coerced in a terrible way. I have in my possession also the report by a volunteer of the Company of Young Canadians which sets out all the details together with examples of dismissals, expulsions, coercion and discipline for infractions of incredibly harsh and stupid rules.

The other day the minister referred to the fact that he received a wire. I suggested it was the same wire I had received. I knew it must have been, and of course it was. That wire said, in effect, "We thank you for trying but think we can settle our own problems". The fact is that the proposal to send that wire was defeated by the students at two meetings in the noon hour and in the afternoon in the cafeteria, but the superintendent sent it nevertheless. I know the minister has received a second wire which the students signed. About ten of them signed both wires. This is the usual result of intimidation, as I have found in long practice in labour relations.

The second wire is addressed to me. It reads:

> We thank you for your concern and would like to ask you to investigate the situation at Akaitcho Hall. Could you send someone to us to get the real impression of our unique problems here. We hope you are with us.

Then, these students tell us about the first wire. I have in my possession a letter from one of the residents of the hall. It is from a 20 year old girl who says she is still treated as a child. In the letter there is this sentence:

> We desperately need help and will be most grateful for any that we may receive.

If I had more than seven minutes, there are literally dozens more incidents and instances I could cite. I wish to use my last minute or two to tell the minister, who is courteous enough to be here this evening, that the responsibility rests with him and his department. It may not be his entirely because he has headed this department for only seven, eight or nine months and these regulations date back to at least 1964.

[Mr. Lewis.]

The responsibility for this situation, however, does lie with his department. If the departmental officers did not know this was happening, they are a bunch of incompetents who ought to be fired tomorrow. If they did know what was happening and did nothing about it, they are a bunch of sadists who ought to be sent to a psychiatrist instead of being responsible for the education of the men and women who are native citizens of this country.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have come to the house this evening to answer the hon. member.

I think that the terms he used were a little exaggerated and I feel that the situation is not as bad as he suggested. It is a quite delicate situation and as soon as I was told about the problem, I asked the authorities of the Territory to conduct an inquiry. Now as I have full confidence in people who have acquired some experience in labour relations —like the hon. member for York South— I have asked the Commissioner of the Northwest Territories, Mr. Hodgson, a formeer labour leader, to deal with the situation himself and to see to it that any abuse is corrected.

Evidently, we must take into account that in the house of commons, we are always told, that the people in the North should make their own decisions and enjoy self-determination.

That is a local problem. The situation had not been reported to the local authorities, but only to Ottawa. I asked the commissioner to investigate and have consultations with all interested parties, mainly the authorities responsible for keeping order in the institution. The hon. member will appreciate that it is necessary to have certain internal rules in order that an institution can work and that be protected the interests of the parents who send their children, for when boys and girls of different age groups attend an institution such as this, one must realize that some to be very sensitive about the situation.

Furthermore, there are in those institutions persons with a different background and of different ethnical origin, and it is necessary to be verey sensitive about the situation.

One must also consider the interests of the students who attend those institutions. I think we should consult them in that regard. Naturally, rules are perhaps a little too strict, and for this reason I asked the commissioner to examine the problem. I know that the regulations are being revised.

I personally visited some of those hostels and I wonder whether the hon. member has had that privilege. In fact, when I went up North, I visited a hostel in Inuvik, one night, and young people were dancing there just as they would in any hall here.

I know that in such circumstances, rules may sometimes appear strict, but they are enforced leniently. That is why I asked the commissioner to inquire, to try and find a solution to the problem and conciliate the interests of the institution, those of the parents and those of the students concerned.

[*English*]

PUBLIC BUILDINGS—BATH-MILLHAVEN FEDERAL PRISON COMPLEX

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my reason for rising tonight is the result of a question I asked the Parliamentary Secretary to the Minister of Public Works (Mr. Langlois) in this house this afternoon during the question period. This question pertained to certain financial irregularities relevant to a subcontract on the Bath-Millhaven federal prison complex situated in my constituency of Frontenac-Lennox and Addington, in the County of Lennox and Addington.

Let me remind the house that this project will call for a financial expenditure of over $20 million. The present contract, which was awarded to Argo Incorporated of Montreal, is part of the total and amounts to over $10 million.

The subcontract in question here tonight was awarded to D. Leblanc Incorporated of 750 Boulevard Labelle, Chomedy, Laval, Province of Quebec. This latter firm is reported to be in receivership as of approximately February 13, and I believe their management and staff have returned to the Province of Quebec. I am sorry to report to the house that before doing so they left thousands of dollars in worthless cheques, refused and declared n.s.f. by the bank they were issued on, namely La Banque Provinciale du Canada, 5990 West Boulevard Gouin, Montreal, Quebec.

• (10:20 p.m.)

The estimated total liability of this firm's cheques in Lennox and Addington County and the Bay of Quinte district is reported to be many thousands of dollars. As one constituent said to me, it seems that they went back to Montreal one week end and forgot to come back. When I questioned the representative of the prime contractor, Argo Inc., at their office on the job near Bath, they told me that unfortunately this subcontractor was not bonded. I call on the government and the minister to explain this situation and the dire lack of management on the part of the government for not ensuring that all subcontractors on the job were bonded with a pay and performance bond the same as Argo, the prime contractor.

Like any other job of this size being performed in any local community, the labouring men on the job worked with implicit confidence that the cheques they received would be honoured. This is a huge government project. In turn, the local businessmen and the banks, all part of our economy, cashed the contractor's cheques without any doubt as to their validity. These cheques were for the most part issued to cover the wages of labourrers. For example, the owner of the closest grocery store to this project, the Millhaven grocery at R. R. 3, Bath, is holding about 16 cheques totalling $1,180. These cheques are not worth the paper they are written on. I hold in my hand photostat copies of them.

The Royal Bank in Odessa has seven cheques totalling over $400, and their branch in Bath holds 37 payroll cheques totalling $3,-003.50. This has been a very costly affair for the working men, businessmen and the financial institutions in my riding. The damage goes even beyond my area, because I am informed that several business places in the city of Kingston hold some of this worthless paper.

I declare that this situation indicates that someone, including the government, is not looking after business. Why was this contractor not bonded? Surely, it is a statutory requirement that all contractors working on federal government jobs must be bonded as to pay and performance. I have mentioned that people in a typical Canadian community such as ours co-operate with confidence in accepting and cashing a federal contractors' cheques, especially from such a multi-million dollar job as this. In this case, they all received a slap in the face or, I should say, a kick in the pants from the rear.

Some lawyer might tell me that the way to solve this vexing problem would be for each holder of a worthless cheque to ask the man who gave it to him to make restitution, and so on all the way down the line. But this company is now reported to be in receivership,

which means that what they will pay in bankruptcy could amount to a very few cents on the dollar, or perhaps nothing.

I call on the government and the prime contractor in this matter to reimburse the labouring men and businessmen of Frontenac-Lennox and Addington. This $20 million project, and the government, will be viewed with suspicion from now on if restitution is not made immediately, the whole matter set straight and the wronged parties reimbursed. There is a tremendous amount of ill-feeling in our district because of this situation.

I have not yet learned the particulars of the contractual relationship between Her Majesty the Queen and Argo Inc., the prime contractor, and Leblanc Inc., the defaulting subcontractor. But in the name of fair dealing, over-all good faith and justice, I call upon the government and the Department of Public Works to compensate our people, labourers, businessmen and local banks for the inconvenience and loss they have so innocently sustained.

Mr. Paul Langlois (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, regretfully I have to confirm that there appears to be some bad paper circulating in the area to which the hon. gentleman refers. It has been a continuing concern of Public Works over many years to draft and include in all contracts a code of working conditions that is fair and equitable to all contractors and which at the same time minimizes the chance of bad debts and workmen's liens. This code has been developed with the co-operation and approval of the Canadian Construction Association.

The department has received representations that cheques issued by the subcontractor have been returned "N.S.F." and, on this basis, has dealt with the general contractor, advising him of the situation. The general contractor has undertaken to redeem any cheques issued for direct labour by the subcontractor and not yet cashed. Anyone holding such a cheque should contact the prime contractor. Furthermore, the Canadian Department of Labour has placed an investigator on the project and has asked this department to withhold from the prime contractor's next progress claim an amount of $30,000 while they investigate claims of employees of the subcontractor who have deposited or are holding cheques. Any claims accepted by the Department of Labour will be covered by the $30,000 withheld from the prime contractor.

I am assured that the bonding company and the prime contractor are fully aware of the situation that a number of unsupported cheques have been recovered, and that both the prime contractor and the bonding company are investigating the extent of the trouble with all due diligence.

Mr. Speaker: The motion to adjourn the house is deemed to have been adopted. The house stands adjourned until two o'clock tomorrow afternoon.

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

HOUSE OF COMMONS

Wednesday, February 26, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

Second report of the Standing Committee on Miscellaneous Estimates, in French and English—Mr. Fernand-E. Leblanc (Laurier).

[*English*]

Third report of the Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Reid.

FEDERAL-PROVINCIAL CONFERENCE

TABLING OF REVISED CONSENSUS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on February 14, immediately following the conclusion of the constitutional conference, I laid on the table of this house a document entitled "Consensus of the conference". The secretariat of the conference now informs me that that document contained an error in the text of one of the resolutions and has asked me to apologize to the house for any inconvenience that this may have caused. That office has now prepared a corrected version, in bilingual form, which is available for distribution to all members, and I wish to table this today.

LOBBYING

MEASURE REQUIRING REGISTRATION WITH CLERK OF PARLIAMENTS

Mr. Barry Mather (Surrey) moved for leave to introduce Bill No. C-176, respecting the control of lobbying.

Mr. Knowles (Winnipeg North Centre): Expliquez.

Mr. Mather: Mr. Speaker, the purpose of this bill is to require registration with the Clerk of Parliaments of all lobbyists; persons employed by others in an attempt to influence the public's elected representatives for or against enactment of laws. It would in no way interfere with lobbying or the right of citizens to express their wishes to members of parliament, but as is done in several of the United States now, it would require the identification to the public of the private interests and motives of paid lobbyists.

Motion agreed to, bill read the first time and ordered to be printed.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (Rosedale): Mr. Speaker, I should like to announce a change in the business of the house, which occurred as a result of discussions this morning. In view of the fact that we did not complete the debate on second reading of the Criminal Code last night, we agreed this morning that it would be desirable to change the order so that the debate on second reading might be resumed today in the hope that perhaps a decision will be taken before the close of this day. If that decision is taken we will then call the bill amending the Financial Administration Act for consideration during the balance of today.

The timetable in respect of the proposed government organization act will therefore be set back one day. We will commence the debate on that tomorrow. If it is not completed through the appropriate stages by tomorrow night, we will continue with that debate on Friday.

There were also discussions as to the manner of debating the government organization act. Perhaps I might take advantage at this time to put the suggestions on record. There might be general agreement on a relatively short discussion at the second reading stage, with possibly only one speaker from each party. Instead of lengthy and varied discussion on the first clause in the committee of the whole it might be agreeable that we deal with each part of the bill as an integral unit before proceeding to the next one. In this way we hope that the chairman of the committee might be more lenient in permitting a more general debate on the clauses at the beginning of each part, in respect of each department, than would normally be the case. It would seem possible in this way to deal with this in a more systematic and structured fashion.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

QUEBEC—AID TO CLASSICAL COLLEGES

Question No. 952—**Mr. Caouette:**

Did the government grant financial aid to classical colleges of the Province of Quebec and, if so, what colleges received aid and how much did they receive over the past five years?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): During the past five years, no operating grants were paid by the Government of Canada to classical colleges of the Province of Quebec either under the per capita university grants scheme (to 1966-67), or under the provisions of Part II of the Federal-Provincial Fiscal Arrangements Act, 1967 (from 1967-68). Any payments to classical colleges would have been made by the Government of the Province of Quebec.

DEFENCE—EXPENDITURE ON MODERNIZATION PROJECTS

Question No. 1,128—**Mr. Broadbent:**

1. For each fiscal year, what have been the number of projects and annual expenditures of the Industry Modernization for Defence Exports Program established in 1963 in the Department of Defence Production and transferred over in 1967 to the Department of Industry?

2. For each fiscal year, what have been the annual expenditures of this program shared by the federal government and the defence industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1.

Year	No. of Projects	Federal Expenditure $
1964/65	19	474,000
1965/66	40	2,440,000
1966/67	98	8,000,000
1967/68	95	10,581,000

Note: This Program was established in the fall of 1963 and no money was spent until FY 1964/65.

2. Project costs under this Program are shared equally by the Federal Government and the defence industry.

[Mr. Macdonald (Rosedale).]

NATIONAL ARTS CENTRE FINANCING

Question No. 1,189—**Mr. Beaudoin:**

1. What was the government's share in the financing of the National Arts Centre?

2. Was the federal government the only contributor to the financing of the National Arts Centre and, if not, who were the other contributors and what was their share?

3. What is the date set for the inauguration of this National Arts Centre?

4. What person or persons have been appointed for the internal management of the National Arts Centre?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the National Arts Centre as follows: 1. The Federal Government paid all the construction costs of the National Arts Centre.

2. While the Federal Government was the only contributor to the Centre's construction cost, the City of Ottawa contributed 89,917 sq. ft. of the 254,649 sq. ft. of the Centre's site.

3. The Centre's inaugural festival begins Monday 2 June, 1969.

4. The operation and maintenance of the Centre is the responsibility of the National Arts Centre Corporation consisting of a Board of Trustees composed of the following persons: Members appointed by Order-in-Council: Mr. Lawrence Freiman, Ottawa, Chairman; M. Paul Hébert, Montreal, Vice-Chairman; Mr. Leonard A. Kitz, Halifax; Mme Andrée Paradis, Montreal; Mr. William Teron, Ottawa; Dr. Robertson Davies, Toronto; Mlle Madeleine Gobeil, Ottawa; Mr. Anson C. McKim, Montreal; Mrs. Percy Genser, Winnipeg; Dr. Dorothy Somerset, Vancouver; Dr. Arnold Walter, Toronto. Members ex-officio: the Mayor of the Corporation of the City of Ottawa: His Worship Donald B. Reid; the Mayor of the City of Hull: Son Honneur Marcel D'Amour; the Director of the Canada Council: M. Jean Boucher; the President of the Canadian Broadcasting Corporation: Dr. George F. Davidson; the Government Film Commissioner: Mr. Hugo McPherson.

The Board of Trustees appointed Mr. G. H. Southam as Director of the Centre for a term of five years effective 1 April 1967.

COMMERCIAL PILOTS—COST OF TRAINING PROGRAM

Question No. 1,207—**Mr. Lewis:**

1. What was the cost to the Department of Manpower and Immigration (a) per trainee, and (b)

the total cost of training 20 men to commercial pilots license standard at Lakehead Flying School (the class graduated in June of this year)?

2. Are future courses of this nature contemplated and, if so (a) where (b) what are the dates?

3. How many unemployed pilots were registered with the Canada Manpower Centres at the time the course referred to in part (1) above was begun?

4. Of those commercial pilots registered with Canada Manpower Centres at the time in question, how many subsequently gained employment as pilots through the efforts of Canada Manpower Centres?

5. What is the procedure followed by Canada Manpower Centres in attempting to place a pilot?

6. On what basis were the students referred to in part (1) above selected and were they (a) members of the Air Cadet League of Canada (b) currently licenced as private pilots (c) other, please specify (d) did they go before a competent selection board or did they simply apply for such training?

7. Was the flying school involved a member of the Royal Canadian Flying Clubs Association?

8. By whom were the pilots graduated from the course referred to in part (1) employed and at what salary?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. (a) Average cost per trainee $2,343 (Training cost $1,811.20—Training Allowance $531.82); (b) $51,546.50 for 22 trainees starting the course.

2. Not in the foreseeable future.

3. 143—pilots in all categories, not necessarily "bush pilots". Many seasonally unemployed or not interested in moving to Northern Ontario.

4. 11.

5. Manpower counsellors keep in touch with the needs of the industry and contact employers on behalf of clients who are seeking new positions. Applications with details of the pilot's training, licence, endorsements, experience, flying hours, etc., are, when the client is interested, circulated to Canada Manpower Centres where opportunities might exist. Pilots who lack the training, experience or licences with the endorsements required by employers are helped to obtain other types of employment. Pilots who follow the occupation on a seasonal basis are also assisted with their search for alternative off-season employment.

6. The availability of the training and the selection criteria were broadcast by Radio Stations CFTA, CKPR and CJLX, Television Station CKPR-TV and published in the Port Arthur *News Chronicle* and the Fort William *Times Journal,* to attract potential trainees who would be suitable for "bush flying" operations.

The criteria were: Valid private pilot licence—minimum requirement; Medical category to Commercial Pilot standard; Academic standing—functional Grade 10 (determined by mature adult test) or higher; Suggested age 35 or under. Actual decision made on the basis of experience or physical ability to handle "bush pilot" position which includes loading and unloading freight; Flight test; Motivation and definite willingness to accept employment in bush operations in Northern Ontario. (a) Not known; (b) Yes, minimum requirement; (c) Four trainees had commercial pilot licences; (d) Trainees were selected by a competent selection board from applications received.

7. No.

8. Twenty-two pilots commenced the course and 13 of the 20 graduates obtained employment with nine employers in Northern Ontario. The salaries of the 13 were as follows; one pilot, $250 per month plus four cents per mile; four pilots, $250 per month plus three cents per mile; 1 pilot, $10 per day plus four cents per mile; 1 pilot, $500 per month; four pilots, $400 per month; one pilot, $300 per month plus room and board; earnings of one pilot unknown.

QUEBEC—FEDERAL AIR POLLUTION PROGRAMS

Question No. 1,266—**Mr. Beaudoin:**

Has the government any programs to combat air pollution in the Province of Quebec and, if so, what is the nature of each such program?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): No. However the Department of National Health and Welfare provides financial assistance to the Quebec Department of Health through the national health grants program for support of research and other projects in the field of air pollution. A list of current projects is attached.

Questions

Environmental Health Applications To The Public Health Research Grant
Department of National Health and Welfare

Name	Project No.	Title of Project	Amount Requested $
Air Pollution Studies			
BARIL, Marcel (Dr.)	604-7-674	N—Sure and swift methods of identification of pollutants (particularly dusts) in the air of urban residences	8,836
JEGIER, Sigmunt (Dr.)	604-7-663	N—Effects of atmospheric pollutants on antiproteolytic and neurohumoral enzymes.	21,350
JEGIER, S. (Dr.)	604-7-603	T—Formation in the atmosphere of oxidizers harmful to public health	
JEGIER, S. (Dr.)	604-7-602	C—Evaluation of the degree of atmospheric pollution by photosynthetic measures	18,950
PANISSET, Maurice (Dr.)	604-7-679	N—Determination of the amount of air pollution from a given outlet by means of altitude observations	16,540
PANISSET, M.	604-7-593	C—Air Pollution and Heat Islands	31,000
PANISSET, Maurice (Dr.)	604-7-678	N—Study of the precombustion of aliphatic hydrocarbons with a view to modifying the amount of aldehydes, non-saturated hydrocarbons and "NO" in burned gases	16,340
WHITE, F. T. M.	604-7-608	C—Studies in Industrial Dustiness (a) Comparative Evaluation of Assessment Techniques. (b) Abatement of Dusts by the Application of Froths and Foams	9,500

[*English*]

POST OFFICE LOCK BOXES

Question No. 1,299—**Mr. Macquarrie:**

1. What is the cost to the Post Office Department of administering post office lock boxes?

2. What revenues are derived from rental of these boxes?

3. What portion of the costs mentioned in reply to part 1 are capital costs?

4. What portion of the costs mentioned in reply to part 1 are operating costs?

5. What are the principal factors making up these operating costs?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. For the fiscal year 1967-68, $4,633,074.30.

2. $2,497,700.

[Mr. Munro.]

3. Nil.

4. $4,633,074.30.

5. Collection of rentals, administration and services rendered by other government departments such as, accommodation, equipment, maintenance and installation principally provided by the Department of Public Works.

CANADIAN FORCES SUPERANNUATION FUND

Question No. 1,304—**Mr. Coates:**

1. Was a decision made by the federal government to increase the contribution rates under the Canadian Forces Superannuation Act and, if so, for what reason?

2. How much additional revenue will be provided to the fund in a full fiscal year?

3. What was the balance in the fund on March 31, 1968, and did the fund increase in the fiscal year from March 31, 1967 and, if so, by what amount?

4. What would have been the estimated increase in the fund from April 1, 1968, to March 31, 1969, without an increase in the rate of contribution and what will be the additional increase in the fund as a result of the increase in the rate of contribution?

Hon. Léo Cadieux (Minister of National Defence): 1. As announced on 22 November, 1968, it is the government's intention to propose an amendment to the Canadian Forces Superannuation Act to increase the contribution rates under the Act.

2, 3 and 4. This information will be available when the Bill to amend the Act is before Parliament.

IVORY COAST REPRESENTATIVE

Question No. 1,311—**Mr. Fairweather:**

What is the name of the representative of the Ivory Coast referred to in the answer to Question 1,104?

Hon. Mitchell Sharp (Secretary of State for External Affairs): It is not normal practice to specify the names of representatives of foreign governments coming to Canada for confidential discussions and in any case it would be inappropriate to name the person referred to in the reply to question 1,104 without the concurrence of the government concerned.

COMPLAINTS ABOUT C.B.C. FESTIVAL SERIES

Question No. 1,312—**Mr. Coates:**

1. How many complaints were lodged with the CBC by individuals and organizations in Canada over programs appearing in the Festival Series on television during the present season?

2. What is the break-down in complaints for each of the dramas to date?

3. What is the estimated cost for the series of programs that will be produced for Festival and what has been the cost of each program shown to date?

4. What has been the revenue obtained from advertisers for the Festival Series?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. As of February 6, 1969, viewers' letters and telephone calls to C.B.C. about the current season's Festival play totalled approximately 650 favourable to Festival and 900 unfavourable.

2.

October 30, 1968	The Write-Off	48 favourable	6 unfavourable
November 6, 1968	Yesterday the Children Were Dancing	39	33
November 13, 1968	A Scent of Flowers	16	121
December 11, 1968	Reddick	77	72
January 1, 1969	A Penny for a Song	7	14
January 15, 1969	Neighbours/The Basement	64	611
January 29, 1969	Cancellation of "Noises of Paradise"	394 protesting cancellation	10 supporting cancellation
	Festival series in general	5 favourable	32 unfavourable

3. The approximate total cost of each Festival drama, including cost of production staff, talent and studio facilities, is $93,000. Each drama in the series has been produced within this average budget figure.

4. Nil. The Festival period is not available for sponsorship.

BRITISH COLUMBIA—VETERANS LAND ACT COMPLAINTS

Question No. 1,315—**Mr. Rose:**

How many complaints did Veterans Land Act Offices in British Columbia receive in 1966, 1967 and 1968 because of the inability of sub-trades to collect money owed them by sub-contractors of bonded contractors?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1966, none; 1967, none; 1968, one.

REGISTRATIONS FOR SECOND CLASS MAILING

Question No. 1,326—**Mr. Macquarrie:**

1. As of September 1, 1968, how many publications registered successfully for 2nd class mailing

privileges in each of the following classes: general news, religion, sciences, agriculture, forestry, fisheries, literature and the arts, public health, business and trade, trade unions, co-operatives, church congregations, political parties, others?

2. As of February 1, 1969, how many publications in each of these classes were using 2nd class mailing privileges?

3. How many publications were refused second class mailing privileges?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. As of 1st September 1968 a total of 5,291 publications were authorized to mail at a second class rate of postage. The records of the Department have not been maintained in such a way as to permit a breakdown by class as of the date requested. Commencing 1st April 1969 departmental records will be maintained in such a way that such information can be provided.

2. As of 1st February 1969 a total of 5,267 publications were authorized to mail at a second class rate of postage.

3. 79 publications were refused mailing privileges in 1968.

C.B.C. FESTIVAL SERIES, "NOISE OF PARADISE"

Question No. 1,327—**Mr. Coates:**

1. For what reason was "Noise of Paradise" cancelled as the drama on the CBC television series Festival on January 29, 1969?

2. What is the explanation for the delay in reaching the decision in question and did the final decision relate in any manner to complaints lodged with the CBC over other programs previously shown in this series?

3. Did the CBC make payments to any individuals or firms in regard to "Noise of Paradise" that will result in a loss to the corporation if the drama is not televised at a later date?

4. Were any advertising revenues lost as a result of the cancellation of this program and, if so, what was the amount of the loss?

5. Have any advertisers cancelled their patronage with the CBC as a result of programs that have been shown on this series and, if so, what is the estimated loss in revenue from these advertisers to the CBC?

Hon. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. "Noises of Paradise" was withdrawn for review. It may be rescheduled on the network at a future date.

2. Senior C.B.C. officers screened the program immediately they became aware of possible concern over its content. This was done as a result of reaction to previous Festival dramas together with complaints about on air promotion based on scenes from this particular production.

3. As stated above, the drama may be rescheduled at a later date. If this is not done there will be a loss.

4. No. The Festival series is not sponsored.

5. No.

MONTMAGNY WHARF—DREDGING

Question No. 1,329—**Mr. Lambert (Bellechasse):**

1. When was the dock and access channel to the Montmagny wharf last dredged?

2. What was the total cost of this work?

3. What company carried out the work?

4. How many days did the work take?

Hon. Arthur Laing (Minister of Public Works): 1. During 1959-60.

2. $411.

3. The work was carried out by rental of bulldozer on hourly basis.

4. About one week.

C.B.C. FRENCH LANGUAGE BROADCASTING STUDY

Question No. 1,338—**Mr. Serré:**

1. When did the Canadian Broadcasting Corporation establish an internal committee to study French language radio and television broadcasting?

2. Who are the members of this committee?

3. When is it expected that the study will be completed?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. March, 1968.

2. The committee was composed of 15 members, five from the Corporation's Quebec Division and French Networks, seven from other C.B.C. production centres across the country and three from Head Office. These people were drawn from the programming, technical and administrative areas. It has not been customary to require C.B.C. to list the names of individuals assigned to internal studies.

3. The committee reported at the end of October, 1968. The suggestions and recommendations contained in this internal document are being evaluated as to feasibility and cost.

TORONTO AIRPORT PASSENGER RAMPS

Question No. 1,343—**Mr. Skoberg:**

1. For what reasons are the enclosed passenger ramps at Toronto International Airport not in use at all times for the convenience of passengers arriving and departing?

2. For what reasons were the enclosed ramps not in use for the convenience of passengers arriving and departing on Flights 906 and 400, on February 3, 1969?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. Passenger ramps, or loading bridges, are located only at Finger 6 at Toronto International Airport and this Finger has no access to Customs and Immigration areas; therefore they can only be used for domestic flights. Work is presently in process which will make it suitable for international flights.

2. The passenger ramp was not used for Flight 906, February 3, because the aircraft was to be routed onward to New York for a trans-border flight, which is normally pre-cleared at Finger 4; therefore the incoming aircraft for Flight 906 was positioned directly at Finger 4 in preparation for its departure.

Flight 400 is operated with Vanguard equipment and the passenger ramps at Toronto International Airport are not suitably constructed for use with this type of aircraft.

POTATO EXPORTS

Question No. 1,348—**Mr. Corbin:**

1. How many (a) seed potatoes (b) table potatoes (c) processed potatoes (in cwt) were exported in the years 1960 to 1967 to South American Countries, to the West Indies, to Europe?

2. What is the name of each country?

3. Of this amount, what percentage was exported from (a) New Brunswick (b) Prince Edward Island (c) other provinces?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1 (a), (b), (c) and 2. Exports of potatoes are recorded in the following export commodity classes:—

	Commodity Class	Year	Commodity Class	Years
seed potatoes	1460	1960	91–80	1961 to 1967
fresh potatoes	210	1960	91–82	1961 to 1967
potato products, frozen	92–80	1963	92–82	1964 to 1967

The full details of these exports by countries are published in the December issues of Trade of Canada, Exports by Commodities (Dominion Bureau of Statistics catalogue No. 65–004). These publications are obtainable from the Queen's Printer, Ottawa, and available for reference in all public libraries and in the Parliamentary Library.

3. (a), (b), and (c). The percentage of exports of "potatoes" from New Brunswick, Prince Edward Island, and other provinces are as follows:—

Year	New Brunswick	Prince Edward Island	Other Provinces
1960	61.8%	19.9%	18.3%
1961	47.2%	24.3%	28.5%
1962	64.5%	13.8%	21.7%
1963	55.1%	17.1%	27.8%
1964	58.2%	14.1%	27.7%
1965	38.2%	25.0%	36.8%
1966	56.2%	14.2%	29.6%
1967	44.8%	20.4%	34.8%

Questions

PRESERVATION OF MALISEET LANGUAGE

Question No. 1,350—**Mr. Corbin:**

Has the federal government been asked to contribute to the preservation of the Maliseet language in New Brunswick and, if so, what contribution has been made and when?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): Yes. However, no contribution has yet been made as this request is still under consideration.

STATIONS CBAF AND CBAFT, MONCTON

Question No. 1,357—**Mr. Corbin:**

1. How many persons were working with radio stations CBAF and CBAFT of the Canadian Broadcasting Corporation in Moncton in December 1968?

2. What was the number of men and women in each of the positions?

3. How many persons were from (a) New Brunswick (b) Quebec (c) other Maritime Provinces?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. As of December 31, 1968, there were 14 C.B.C. employees at radio station CBAF and 17 at television station CBAFT plus 21 integrated radio and TV personnel, several of whom also have responsibilities with respect to the C.B.C. English language radio station CBA at Moncton.

2. Of the total of 52 employees, 41 are male and 11 are female.

3. (a) New Brunswick, 39; (b) Quebec, 10; (c) Other Maritime Provinces, one; plus two from Ontario.

LA RONGE AND URANIUM CITY TELEVISION SERVICE

Question No. 1,374—**Mr. Korchinski:**

1. What are the present plans for extension of television services in Northern Saskatchewan, particularly as they affect the areas of La Ronge and Uranium City?

2. Are there any plans to initiate improvements serviced out of Prince Albert by the relay station at Greenwater?

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): I am informed by the C.B.C. as follows: 1. A C.B.C. application to establish a "frontier coverage package" TV station at La Ronge will be submitted to the Canadian Radio-Television Commission by February 25, 1969, and it is expected that this can be considered by the CRTC in June. The C.B.C. has been operating a similar station at Uranium City since October 1968.

2. The C.B.C. is aware of technical problems recently experienced by the privately-owned affiliate CKBI-TV, Prince Albert, which controls several rebroadcasting stations including one at Greenwater Lake. The station is attempting to correct these difficulties which are not within the purview of C.B.C.

THETFORD MINES, QUE., AIRPORT

Question No. 1,375—**Mr. Dumont:**

1. Have studies been made by the Department of Transport into the possibility of constructing an airport at Thetford Mines and, if so, what decision has been arrived at by the Department?

2. If the project has been approved, what amount of the assistance has been provided for construction of the airport?

Hon. Paul Hellyer (Minister of Transport): 1. Yes. The studies concluded that a contribution of $75,000 would be justified. However, an engineering study has shown that the minimum cost of developing a suitable facility would be $114,000. It was therefore concluded that until additional evidence becomes available of either reduced cost or increased potential use by air travellers or air carriers, it would be necessary to accord a relatively low priority to Thetford Mines.

2. Answered by "1".

APPLICATION OF SALES TAX TO MUNICIPALITIES

Question No. 1,382—**Mr. Mongrain:**

Are municipalities exempt from the payment of federal sales tax on the purchase of materials for use in municipal works and, if so, under what circumstances?

Hon. Jean-Pierre Côté (Minister of National Revenue): Not all materials for use in municipal works are exempt from sales tax, however, Part XII of the Excise Tax Act provides for exemption from sales tax in respect of the following: 1. Certain goods sold to or imported by municipalities for their own use and not for resale, as follows: (a) culverts; (b) equipment, at a price in excess of five hundred dollars per unit, specially designed for use directly for road making, road cleaning or fire fighting, but not including automobiles or ordinary motor trucks; (c) fire hose including couplings and nozzles therefor; (d) fire truck chassis for the permanent attachment thereon of fire fighting equipment for use directly in

fire fighting; (e) goods for use as part of sewerage and drainage systems, and, for the purposes of this exemption, any agency operating a sewerage or drainage system for or on behalf of a municipality may be declared by the Minister to be a municipality; (f) laminated timber for bridges; (g) precast concrete shapes for bridges in public highway systems; (h) structural steel and aluminum for bridges.

In addition, the sales tax paid on materials used in constructing a school or other similar education institution and public libraries operated on a non-commercial basis is refundable.

CANADIAN ARMED FORCES STRENGTH

Question No. 1383—**Mr. Beaudoin:**

1. What is the strength of the Canadian Armed Forces in the following Divisions (a) sea (b) land (c) air?

2. What is the strength of the Reserve Forces?

3. What is the strength of the Regular Forces?

4. How many and what types of aircraft are employed by the Armed Forces?

5. How many and what types of ships are employed by the Armed Forces?

6. How many Canadian servicemen are stationed outside the country and at what locations?

7. What is the annual salary of a Private in the Armed Forces?

8. What is the annual salary of officers, according to rank?

[*Translation*]

Mr. David Groos (Parliamentary Secretary to the Minister of National Defence): 1. As of 31 December 1968 (a) 17,740; (b) 37,751; (c) 42,350.

2. As of 30 September 1968, 27,158.

3. As of 31 December 1968, 97,841.

4. CSR110 Albatross, 9; CP107 Argus, 32; CC115 Buffalo, 15; CF100 Canuck, 43; CF101 Voodoo, 60; CF104 Starfighter, 183; CC108 Caribou, 8; L19/L183 Cessna, 24; CF5 Freedom Fighter, 10; DHC1 Chipmunk, 51; CC109 Cosmopolitan, 9; C47 Dakota, 76; C45 Expeditor, 53; C45 Falcon, 7; C130 Hercules, 23; DHC3 Otter, 38; T33 Silver Star, 213; CT114 Tutor, 179; CC106 Yukon, 12; CS2F Tracker, 69; H21 Vertol, 6; H34 Sikorsky, 3; H44 Vertol, 4; CH112 Nomad, 20; CF113A Voyageur, 9; CH113 Labrador, 6; CHSS2 Sea King, 38; HO4S, 5; CUH1H Iroquois, 10.

5. CVS (aircraft carrier), 1; SS (submarines), 4; DDH (destroyer helicopter carrier), 9; DDE (destroyer escorts), 13; AOR (operational support ship), 1; ARE (escort maintenance ship), 2; YMT (diving tender), 1; FHE (anti-submarine hydrofoil), 1; PCS (patrol craft), 4; MCS (coastal minesweepers), 6; YMG (gate vessels), 5; QW (training yacht), 2; AGOR (research vessels), 6; AO (oilers), 2; Tugs, 27; Auxiliary Vessels (miscellaneous civilian manned working craft), 99.

6. As of 17 February, 1969, there were 12,191 Canadian servicemen serving outside of Canada in Australia, Belgium, Bermuda, Britain, Cambodia, Cyprus, Czechoslovakia, France, Germany, Ghana, India, Israel, Italy, Japan, Jordan, Korea, Laos, Lebanon, Malaysia, Netherlands, Norway, Pakistan, Poland, Sweden, Tanzania, Turkey, United Arab Republic, U.S.A., U.S.S.R., Vietnam, Yugoslavia.

7. The minimum annual salary of a private is $2700, the maximum, $5460.

8. The basic annual salary of officers is as follows: Officer Cadet, $2,316; Second Lieutenant, $4,668; Lieutenant, $7,116; Captain, $9,348; Major, $11,952; Lieutenant Colonel, $14,388; Colonel, $18,012; Brigadier General, $21,444; Major General, $25,320; Lieutenant General, $27,684.

DEFENCE CONSTRUCTION CONTRACTS

Question No. 1,402—**Mr. Caouette:**

1. What was the total number and the respective amounts of the contracts awarded by Defence Construction (1951) Limited for each of the last four years (a) to Canadian contractors (b) to contractors in the Province of Quebec?

2. How many of the contractors who were awarded contracts during these years went bankrupt while carrying them out, and what were the losses suffered by (a) Canadian contractors (b) contractors in the Province of Quebec?

Hon. Léo Cadieux (Minister of National Defence): Insofar as Defence Construction (1951) Limited is concerned: 1. (a) Canadian contractors: 1965, 341, $20,347,956.54; 1966, 397, $19,150,596.02; 1967, 381, $19,930,310.52; 1968, 301, $12,242,526.53; (b) Quebec contractors: 1965, 57, $3,027,229.57; 1966, 78, $3,221,710.29; 1967, 66, $3,730,108.00; 1968, 61, $2,792,902.28.

2. (a) 1965, 4; 1966, Nil; 1967, 1; 1968, Nil; (b) 1965, 3; 1966, Nil; 1967, Nil; 1968, Nil.

The losses suffered by the contractors is not known.

[*English*]

APPLICATION OF TAX ON BUILDING MATERIALS

Question No. 1,409—**Mr. Caouette:**

1. Does the 11% federal tax on building materials apply to works of art and, if so, what was the total sum received to date from this source by the Department of National Revenue?

Questions

2. Does this tax apply to materials used in the making of frames for works of art and, if so, what is the sum received from this source?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. The sales tax of 11 per cent on building materials applies when these materials are used in producing works of art.

The amount of revenue is not determinable since manufacturers of building materials rarely sell materials directly to persons who produce works of art.

2. Sales tax at the rate of 11 per cent on building materials and 12 per cent on other materials used in the making of frames for works of art applies. It is not possible to determine the amount of sales tax received from this source for the reasons outlined in 1 above.

CANADIAN FORCES INSTRUCTION STAFF

Question No. 1,422—**Mr. Robinson:**

1. In what countries does Canada provide Canadian forces staff for instruction and/or information purposes?

2. Does Canada provide any (a) supplies (b) installations (c) equipment for the Armed Forces of any other country and, if so, to what extent and what is the cost to Canada for each country?

3. Does Canada provide exchange officers and/or personnel from the Canadian Forces for training purposes in other countries and, if so, which countries are involved and is the arrangement reciprocal?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. For instructional purposes: Ghana, Malaysia and Tanzania.

2. Canada provides a Mutual Aid Program to support the T-33 Silver Star training aircraft being flown by the Royal Hellenic Airforce and the Turkish Air Force. The cost of this support program for the calendar year 1968 was $439,000.

3. Yes, reciprocal arrangements exist between Canada, Britain, France and the United States of America to exchange officers and men for training purposes.

MILITARY INSTALLATIONS TRANSFERRED TO FRANCE

Question No. 1,423—**Mr. Robinson:**

1. What was the total cost of military installations, buildings and equipment utilized by Canadian forces and subsequently turned over to France?

[Mr. Caouette.]

2. Has any agreement been made between Canada and France whereby Canada will be reimbursed for installations, buildings and equipment?

3. What was the original arrangement and/or agreement whereby Canada would locate Canadian force personnel in France regarding (a) duration of arrangement (b) provision of installation, buildings and equipment (c) removal of installation, buildings and equipment?

4. What is the cost to Canada to relocate the Canadian forces for installations, buildings and equipment?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. The capital cost for Canadian financed facilities at Metz and Marville was $11,014,000.

2. Not yet, this matter is still under review.

3. Canadian Forces were located in France under the provisions of the Franco-Canadian Airfields Agreement of 14 May, 1952. (a) The Agreement was to remain in force as long as the two governments were bound by the North Atlantic Treaty signed in Washington on 4 April 1949, or until it was terminated by agreement between the two governments; (b) and (c) Under the provisions of this Agreement, Canada retained the right to remove any equipment, facilities or other moveable property, including prefabricated structures, which Canada had financed, and to which the NATO Common Infrastructure program did not apply.

4. $5,000,000.

CHANGES IN ONTARIO MEDICAL PLAN TO ENSURE ELIGIBILITY FOR MEDICARE

Question No. 1,454—**Mr. Kaplan:**

What changes would be required to federal medicare legislation and regulations to make eligible for federal contribution, the provincial medical insurance plan presently in force in Ontario?

Hon. John C. Munro (Minister of National Health and Welfare): The provincial medical insurance plan presently in force in Ontario, OMSIP, covers approximately thirty per cent of the population of Ontario.

In order to permit federal contributions to be made, either present coverage would need to be increased to meet the initial ninety per cent requirement of the Federal Act and minor adjustments made to portability provisions, or the Federal Act would need to be modified in these respects.

TOTAL REVENUE FROM TAX ON BUILDING MATERIALS

Question No. 1,512—**Mr. Latulippe:**

What is the total amount of the tax on building materials collected in all of Canada and in each province?

Hon. Jean-Pierre Côté (Minister of National Revenue): Sales tax applicable to building materials is not segregated but is included in the total sales tax collected.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPENDITURE FOR FEDERAL EMPLOYEES IN YUKON

Question No. 766—**Mr. St. Pierre:**

1. How many federal government employees lived in the Yukon and Northwest Territories during the last year for which full records are available?

2. What was total payroll in that year for these employees?

3. Of this total, how much was Northern Living Allowance or similar type of bonus?

4. What was the value of free or subsidized home rentals, free or subsidized home heating and other similar benefits supplied federal employees in these regions?

Return tabled.

DOUGLAS AIRCRAFT COMPANY— FINANCIAL ASSISTANCE

Question No. 1,091—**Mr. Skoberg:**

1. Has the Government of Canada provided any financial assistance to the Douglas Aircraft Company of Canada since its formation in 1965 and, if so, for what purposes and under what conditions?

2. Is the Government of Canada presently considering financial assistance to the Company and, if so, for what purposes and under what conditions?

Return tabled.

EMERGENCY MEASURES ORGANIZATION— COMPOSITION AND POLICY

Question No. 1,248—**Mr. Robinson:**

1. What is the policy of the federal government regarding the Emergency Measures Organization?

2. How many sub-units of EMO are established in Canada?

3. What are the terms of reference of each EMO unit?

4. Where are each of the EMO units located?

5. What was the cost of each of the units during the years 1960-68 inclusive?

6. Does the federal government provide any grants to municipalities that have EMO units?

7. Do municipalities contribute financially to the EMO undertaking in their municipality?

8. Do municipalities provide assistance by way of buildings and/or service to EMO and where are such provided and what is the value of same?

9. What was the total cost of EMO to Canadians in each Province of Canada for each of the years 1960-68 inclusive?

10. What was the cost of EMO in each of the following cities: Montreal, Toronto, Winnipeg, Vancouver, Calgary, Edmonton, London, Windsor, Ottawa, Quebec City, Victoria, Halifax, Saskatoon, Regina and St. John's?

11. Does the federal government propose to continue this program?

12. What service does EMO provide?

13. How many Canadians received training through EMO in each of the years 1960-68 inclusive and what kind of training was received and what qualifications were given?

14. Was any money spent on advertising EMO in 1960-68 inclusive and, if so, how much was spent for each of the years?

15. What courses of training are offered by EMO and who is eligible to take the training?

16. Is EMO co-ordinated with the Canadian Forces, are any joint exercises held and, if so, when and where was the last one held?

17. What is the composition of EMO?

18. Who are the Directors?

19. How many people are directly involved in EMO?

20. How many sub-units are there (a) where are they located (b) who is in charge of each unit (c) how many staff people are at each location (d) what training is carried out at each location (e) what courses are offered?

Return tabled.

STANDARDS FOR RADIATION

Question No. 1,286—**Mr. Reid:**

1. Are there standards governing the amount of permissible radiation, including X-Ray, emitted by television sets in Canada and, if so (a) what are such standards, and by what means were they arrived at, and (b) if there are no standards, for what reason?

2. Is there a difference between Canadian standards and those of other countries, and, if so, what are the reasons for such differences, and does the government intend to change Canadian standards to bring them in line with standards of other countries and, if not, for what reason?

3. Does the government operate a system of checks to ensure that television sets produced in Canada, and imported from abroad, conform to government standards and, if not, for what reason and, if so, what is the means of operation of this system of checks?

4. Is the government aware of any research designed to cut down the amount of radiation and X-Ray emitted by television sets, and does the government keep a running check on developments of this nature and, if so, how does this system operate and, if not, for what reason?

5. What department of the federal government is responsible for this problem?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, notices of motions Nos. 77, 78, 80 and 81 for production of papers are acceptable to the government, subject to the usual reservations concerning privileged papers and authorization of the government authorities concerned.

[*English*]

Mr. Speaker: Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the house that notices of motions Nos. 77, 78, 80 and 81 be deemed to have been adopted?

Some hon. Members: Agreed.

CORRESPONDENCE IN FIELD OF PUBLIC RELATIONS

Motion No. 77—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents exchanged between the Department of Indian Affairs and Northern Development and any person or company engaged in the public relations field since July 1, 1968.

Motion agreed to.

CONTRACTS IN FIELD OF PUBLIC RELATIONS

Motion No. 78—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of all contracts entered into since July 1, 1968, between the Department of Indian Affairs and Northern Development and any person or company relating to the general field of public relations.

Motion agreed to.

DOCUMENT "EMPLOYMENT OF INDIGENES IN TERRITORIAL INDUSTRIES"

Motion No. 80—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the document entitled "Employment of Indigenes in Territorial Industries" prepared in the Department of Indian Affairs and Northern Development.

Motion agreed to.

CONTRACTS BETWEEN GOVERNMENT AND CANADIAN COMPANIES

Motion No. 81—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all letters, communications, reports including

contracts signed, exchanged between the Government of Canada and/or the Department of Indian Affairs and Northern Development and the following companies (a) Williams and Wilson Limited, Vancouver, B.C. (b) Crockett Writers Company, Winnipeg, Manitoba (c) Berger, Tisdale, Lesly, Toronto, Ontario (d) Jacques Gay Incorporated, Quebec, P.Q.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you kindly call notices of motions Nos. 69, 71, 72, 73, 74 and 75?

[*English*]

HOMICIDES AND ASSAULTS IN PRISON

Motion No. 71—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the report resulting from the study of a survey of homicides and assaults in prison.

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, the reports referred to in notices of motions for the production of papers Nos. 71 to 75, inclusive, are not yet complete. Therefore there are no such reports at the present time with which to meet the terms of the motion. I would ask the hon. member, in the circumstances, if he would withdraw the motions.

Mr. Frank Howard (Skeena): Yes, Mr. Speaker. Reference was made to these documents in the annual report of the Commissioner of Penitentiaries, and I therefore assumed they were available. But in view of the explanation of the minister and conversations we had earlier about this matter, I withdraw them.

Order discharged and motion withdrawn.

BREAKING AND ENTERING OFFENDERS

Motion No. 72—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the report resulting from a comparative study of Indian versus non-Indian "Break and Enter" offender types.

Order discharged and motion withdrawn.

GUARD-INMATE COMMUNICATION

Motion No. 73—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the report resulting from a study of guard-inmate communication in a correctional institution.

Order discharged and motion withdrawn.

PAROLE AS A CORRECTIONAL INSTRUMENT

Motion No. 74—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the report resulting from the study of the effectiveness of parole as a correctional instrument.

Order discharged and motion withdrawn.

EFFECT OF IMPRISONMENT ON RECIDIVISM

Motion No. 75—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the report resulting from the study of the effect of length of imprisonment on recidivism.

Order discharged and motion withdrawn.

[*Translation*]

Mr. Forest: I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

Mr. Speaker: Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

HOUSING

PROVINCIAL PARTICIPATION—COMPLAINT RESPECTING STATEMENTS BY MINISTER AFTER QUESTION PERIOD

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Transport arising from the statement courageously made by the minister outside the house after the question period yesterday to the effect that the public housing proposals were being held up by the federal government because one province was trying to grab as much money as possible. I ask the minister whether he made that accusation when he met the provincial ministers last weekend, and if so what explanation he received in reply.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do not think it serves any useful purpose—

An hon. Member: Don't give us that.

Mr. Hellyer: —I think it is a matter of public record that one province has availed itself of the opportunities presented in the act perhaps more vigorously than some of the others.

An hon. Member: What a crime.

Mr. Hellyer: I do not think there is anything wrong with this, except perhaps that it should be considered in the future whether or not some more appropriate balance should be worked out. I am sure my hon. friend would agree with that because his province is just as much in need of housing as are the others.

Mr. Stanfield: I have a supplementary question. I wonder whether the minister would identify the province to which he referred in his statement, or whether he takes personal responsibility for the statement of one of the anonymous shadows of his office, that the province to which he was referring was Ontario.

Mr. Speaker: Order, please. I am not sure whether this line of questioning—

An hon. Member: Oh, come on.

Mr. Speaker: Order, please. There are rules, and these rules have to be respected by all hon. members. There is a standing rule of course that some restraint must be exercised in asking questions on statements made outside the house, and the Leader of the Opposition—

An hon. Member: Stop making difficulties.

Mr. Speaker: Order, please. The hon. member for Edmonton West should wait to put his question of privilege until the Chair has finished speaking. I suggest to hon. members that I have exercised considerable leniency in even allowing the first question. I am not sure to what extent the line of questioning should be pursued. This is the caution which I thought I should bring to the attention of the Leader of the Opposition.

Mr. Stanfield: If I may speak to the point you have raised, sir, I submit that the rule forbidding the asking of questions concerning statements made by ministers outside the house is becoming more and more irrelevant in view of the deplorable practice of the ministers of rushing out of the house following the question period, and either answering questions they would not answer in the house, or giving answers different from those they gave in the house. I submit that this rule was developed under different conditions, and was certainly not intended to apply under conditions such as we have today. I suggest in all sincerity that when a minister leaves the house and gives information on a subject on which he has been questioned inside the house, his answers should be treated for this

purpose as if they had been made inside the house.

I also believe, Mr. Speaker, that I and other members of the opposition should be allowed to pursue a reasonable line of questioning.

Some hon. Members: Hear, hear.

Mr. Speaker: Without entering into any discussion on the point raised by the Leader of the Opposition, may I say that it is because a situation of this kind was taken into account by the Chair that the original question was allowed.

Mr. Stanfield: May I just ask the minister one further question, as far as I am concerned. Having regard to the statements he has made outside the house on this subject, as to these projects being ill-conceived and creating all kinds of psychological and sociological problems, will he make a statement to the house on motions at an early date justifying his position so that it can be discussed and dealt with here in this chamber?

Mr. Hellyer: I shall be glad to give consideration to that suggestion. I think a more thorough discussion of some of these issues would be well worth while. If the hon. gentleman would consult with his unofficial member of the task force I think it will be found that he came to many of the conclusions which were reached by the other members of the task force, and it would be a good idea to discuss them on a suitable occasion.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the minister's statement outside the house gave a great deal more information than the answers he gave inside the house, I should like to ask him now whether all the housing projects awaiting federal approval come within the category of being ill-conceived, and temporary only.

Mr. Hellyer: No, Mr. Speaker. There are many which are perfectly good, and first class, and they are being processed in the normal course. What I said in that context applies, I would say, to only a small minority of projects, though to a considerable number of units.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Can the minister tell us what is holding up federal approval of the rest of the projects, since the ones to which the minister has referred represent only a small part of them?

[Mr. Stanfield.]

Mr. Hellyer: I think largely the length of the question period, Mr. Speaker.

Some hon. Members: Shame!

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a question of privilege, Mr. Speaker. Here is a minister who consistently refused to answer questions put to him yesterday by the Leader of the Opposition and myself, and who then went right outside this chamber and proceeded to give information to the press. Now he refuses to answer questions arising out of the statements he made to the press. I submit that the kind of smart-alec, offhand reply—

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —which we have just heard is not in keeping with the dignity of this house or with the responsibility of the office the minister holds. We have tried to abide by the rules of the house and, under your very able guidance, to follow the procedures laid down for our conduct, but if smart-alec replies of this kind are to be allowed as answers to questions the opposition will have no recourse but to press matters even beyond the rules as you have outlined them today.

Mr. G. W. Baldwin (Peace River): I have a supplementary question for the minister, Mr. Speaker, arising from the request of my hon. friend the Leader of the Opposition that the minister should make a statement on this subject. In view of the fact that, under the guise and subterfuge of dollar items, the supplementary estimates contain provision for the expenditure of many hundreds of millions of dollars under the housing program, will the minister come into the house at the beginning of next week, when these supplementary estimates will be before us, to justify and defend his position?

An hon. Member: Some chance.

Mr. Hellyer: Yes, if it is the wish of the house I would be delighted to do so.

Hon. George Hees (Prince Edward-Hastings): A supplementary question to the Prime Minister. Is the refusal of the Minister of Transport to answer questions today in keeping with what he had in mind when he told the electors that this government intended to engage in more dialogue with parliament and the Canadian people?

Mr. Speaker: Order.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

According to the supplementary estimates (B) presented to us on Monday, his department gets an increase of $2. The main estimates provided for an amount of $1,647,324,-300 and the supplementary estimates adds $2 to it.

Would the minister tell us whether this amount of $2 will be used to increase family allowances in Canada?

[*English*]

HEALTH AND WELFARE

SUMMER CLASSES TO RELIEVE MEDICAL MANPOWER SHORTAGE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the serious medical manpower shortage, has the minister had any meetings with the provincial ministers of health and officials of the universities to establish the feasibility of operating the medical schools during the summer months?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member is aware, a federal-provincial task force that is going into the whole question of medical manpower and costs has been set up and is composed of federal and provincial officials. The Ontario government is participating fully in this study.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. In view of the serious situation of medical complexes that are trying to produce more medical graduates to alleviate the acute shortage of doctors, will the government give consideration to restoring the $2,000 per bed grant which the government cut off, as this is vitally important to producing the doctors that the country needs?

Mr. Munro: Mr. Speaker, I should like to indicate that there are much higher priorities in the education and training of medical personnel than the $2,000 per bed for hospitals.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question. If this is so, why has the minister and his government seen fit to reduce the annual rate of this assistance?

Inquiries of the Ministry

Mr. Munro: As was indicated at the health ministers conference held recently, there is some necessity over the next year or year and a half, as the Leader of the Opposition has himself often said, to limit costs and expenses.

Mr. Hees: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I suggest to the hon. member that there have been a number of supplementaries, and that this line of questioning is developing into a debate. I should like to pass on to another subject.

VIOLENT DISTURBANCES

MONTREAL—USE OF R.C.M.P. TO INVESTIGATE BOMBING INCIDENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Solicitor General. In view of the bombing of the premises of the Queen's Printer in Montreal and the earlier bombing of many other premises, including military armouries, can the Solicitor General tell the house the extent of the active investigation by the R.C.M. Police of this whole series of bomb attacks, and is there any intention of significantly increasing R.C.M. Police activities in these investigations?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, there are a great many questions wrapped up in that rather lengthy question, and if the hon. member would find it agreeable I would prefer to take this question as notice, and see whether I can bring forward a carefully worded reply at a later date.

FISHERIES

JAPANESE VESSEL WITHIN EXCLUSIVE ZONE—ESTABLISHMENT OF STRAIGHT BASE LINES

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Could the minister recount to the house the situation on the west coast as a result of the seizure and arrest yesterday by the Department of Fisheries of a Japanese longliner that was fishing inside Canadian territorial waters or fishing zone?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, about this time yesterday the Canadian Fisheries Protection Vessel *Tanu* intercepted a Japanese fishing vessel that was operating within our 12-mile fishing limit. Its crew boarded the Japanese vessel which has

been taken into Prince Rupert. The department is presently requesting that the Department of Justice take action under section 3 of the Coastal Fisheries Protection Act concerning disposal of the vessel and its cargo.

Mr. Howard (Skeena): Mr. Speaker, may I ask a supplementary question that is related to the entire matter of our territorial sea and fishing zones. What progress is the minister making towards the establishment of straight base lines?

Mr. Davis: Mr. Speaker, we are making considerable progress. The matter is under active discussion at cabinet level. I think the interception of the Japanese vessel within the 12 mile limit and the use of our new fisheries protection vessels will also make our position clear internationally.

Mr. David Anderson (Esquimalt-Saanich): A supplementary question to the Minister of Fisheries, Mr. Speaker. Has the government of Canada given to the government of Japan or to Japanese fishing companies charts showing the area confined by the 12 mile fishing limit, which comes within our exclusive fishing zone?

Mr. Davis: Mr. Speaker, we have made it quite clear that our fishing zones extend 12 miles from our shores.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Can he indicate what progress is being made in his discussion with other countries towards agreement on our continental shelf rights and our straight base line legislation, which was brought before the house in 1964.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the Minister of Fisheries has already said, there is active discussion of this matter at cabinet level. We have already had a number of discussions with various countries. They do not all agree with our position, but we are pursuing the matter.

Mr. Stanfield: And getting nowhere, I suppose.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. In view of recent newspaper reports that the United States government does not fully accept Canadian sovereignty with respect to the 12 mile limit off the Arctic islands, will he inform this house whether our position on this matter is being made clear to the United States government.

Mr. Sharp: Yes, Mr. Speaker. We have had a number of discussions wtth the United States government about the definition of our territorial waters and fishing zones. As I said, we do not always obtain agreement on our position, but we are pressing it as effectively as we can.

CANADIAN COAST GUARD

PROGRESS REPORT ON WEST COAST SERVICE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, may I direct a supplementary question to the Minister of Transport, which arises from earlier questions. Will the minister on an early occasion give us a progress report on the government's present and future plans for the coast guard service on the West coast.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there has been no substantial change recently, and I fail to see the urgency of discussing this matter before the estimates of the department are considered. Nevertheless, if there is some particular aspect of the question my hon. friend wishes to deal with, that could be considered.

[*Translation*]

EXHIBITIONS

REQUEST FOR DECISION ABOUT MAN AND HIS WORLD

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct my question to the Prime Minister, in the absence of the Minister of Industry, Trade and Commerce. As press conferences on Man and His World are scheduled simultaneously in Montreal and Quebec for three o'clock, could the Prime Minister inform the house of the decision to be made by the government, through the Minister of Industry, Trade and Commerce, so that parliament may get the news before the press?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I cannot, since the federal minister has negotiated various positions with the provincial government and the municipality and the decision to be made depends on the positions to be taken by those two authorities. Our position is known to us

but is conditional, of course, upon the acceptance of some proposals by other authorities on whose behalf I cannot speak.

Mr. Valade: A supplementary question. Can the Prime Minister tell us if the minister is to come back to the house before holding a news conference about this decision?

Mr. Trudeau: That would seem rather difficult to me, Mr. Speaker, since the news conference must take place at three o'clock. As for us, we have negotiated once more with the municipal and provincial authorities and they are as eager, I think, as the hon. member to know the outcome of such a discussion. There is no need, I believe, to wait till tomorrow at 2:30 p.m.

[*English*]

EXTERNAL AFFAIRS

SOUTH VIET NAM—REPORT ON CANADIAN PERSONNEL FOLLOWING BOMBING ATTACK

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs which is a sequel to the one I asked yesterday about the bombing attack on the Canadian T.B. hospital in Viet Nam. The Prime Minister and Secretary of State for External Affairs referred to this matter previously. Since there are conflicting reports about the well-being of Canadian personnel in the hospital, can the minister inform the house whether Canadian personnel are safe. What is the general situation, as it relates to this Canadian aid project?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am pleased to report that the two Canadians serving at the Canadian T.B. Centre at Quang Ngai, Dr. Michel Jutras and Mr. Arthur Ludwick, are well and uninjured. There was a night attack on February 23 in the vicinity of the town of Quang Ngai, apparently directed at military establishments, which resulted in damage amounting to an estimated $16,000 to the equipment T.B. Centre. Arrangements are Canadian T.B. Centre. Arrangements are being made to repair the damage and it is considered by the Canadian Medical Director of the project that there should be no interruption in services. The situation which is being kept under continuous review does not appear to warrant any evacuation of Canadian personnel at this stage.

Inquiries of the Ministry

NATIONAL CAPITAL

POSSIBILITY OF REVISION OF BUILDING HEIGHTS LIMITS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Minister of Public Works or to the Minister of Forestry and Rural Development in his capacity as minister responsible for the National Capital Commission. In view of recommendations made yesterday to Ottawa city council concerning building height limits in the City of Ottawa may I ask whether the federal government will revise its plan with respect to the height of the National Defence tower and other public buildings, in order to conform with these recommendations?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, this report will be studied by the National Capital Commission, which will no doubt make recommendations to the minister who in turn will inform the cabinet. We shall also have consultations with the city of Ottawa, but for the time being the situation remains unchanged.

BANKRUPTCY

REQUEST FOR MEASURES TO EFFECT LIMITATIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to ask a question to the Minister of Justice. Would he tell the house if his department intends to take steps to intervene directly and determine why the number of bankruptcies among retail furniture dealers doubled during the first nine months of 1968?

Hon. John N. Turner (Minister of Justice): The administration of the Bankruptcy Act, before criminal proceedings are taken, comes under the jurisdiction of my colleague, the Minister of Consumer and Corporate Affairs.

[*English*]

TRADE

GUYANA—SHIPMENTS OF BAUXITE TO CANADA

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. What measures are contemplated by the government with respect to the reported announcement by the government of Guyana that all exports of bauxite to Canada will be cut off in the near future. I ask this

question, Mr. Speaker, because of the serious economic consequences to Canada, and in particular to the aluminum industry, that would result if this threat were carried out?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, may I take the question as notice. It is the first I have heard of the matter and I should like to examine its authenticity, as well as its possible consequences.

EXTERNAL AFFAIRS

POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, is the Solicitor General able to answer the question I asked on Monday?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker on Monday last, as appears at page 5847 of *Hansard*, the hon. member asked me the following question:

> In view of assertions made publicly by Mr. Paul Akehurst of Canadian Contemporary News concerning depositions in a civil case in California indicating possible abuses of diplomatic privileges by Canadians abroad, including a possible connection with narcotics offences in Mexico, will the minister consider making a statement to the house tomorrow on this serious issue?

I replied that I would be very glad to obtain the necessary information and bring forward a reply either Tuesday or Wednesday, depending on how quickly I could get the information.

I have examined this matter carefully. The facts are that the husband of the person involved in the civil case now before courts in California is a public servant who had been posted abroad prior to 1951, but who has not been posted abroad since that time. Nothing in the files involved him in any questionable activity and there were no abuses of diplomatic privileges by him. Allegations of abuse of diplomatic privilege were brought to the government's attention many years ago and were investigated at that time, but no evidence was found to support them. Those allegations only indirectly concerned him and did not directly or indirectly involve anyone else in the Canadian diplomatic service.

The allegations concerning narcotics offences involving the party to the California litigation were investigated at the time they were made, and no basis for criminal action was discovered. The investigation did indicate that the person concerned was under the care of a physician, and drugs that were not narcotic drugs were being prescribed for the medical condition.

Although the question by the hon. member for Fundy-Royal did not ask about other investigations, I think I should add that there have been investigations relating to a bankruptcy in November 1966. This last mentioned matter is still current.

As to the civil proceedings now before the courts in California, I am sure the house would not wish me to make any comment.

Mr. Fairweather: Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. Did the Trustee in Bankruptcy, Phillip Marglese, formally recommend in 1967 a prosecution on this aspect of the case on the grounds of fraud and misrepresentation? If so, what action was taken as a result of that recommendation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I am not sure, Mr. Speaker, exactly what the hon. member is referring to. To which precise recommendation of fraud is he referring, and against whom was the charge to be preferred?

Right Hon. J. G. Diefenbaker (Prince Albert): In the course of the investigation did the Solicitor General find anything messy in this case to justify the use of the word "messy"?

Mr. McIlraith: Mr. Speaker, I did not use the word "messy". I do not know where the "messiness" arose.

Mr. Diefenbaker: Since it has been stated that there is little foundation for some of the allegations which have been made, would the minister be willing to secure a copy of Mr. Akehurst's broadcast text and table it, so that the house may have full information.

Mr. McIlraith: Yes, Mr. Speaker. I obtained it immediately after it was made. I read it over carefully and I wonder whether the association with "messiness" might not lie in that text?

Mr. David Lewis (York South): A further supplementary question arising from the minister's answer. May I ask the minister whether he has looked into or, if not, will look into certain debts alleged to be owed by the person referred to, but not named in the reply which he gave this afternoon? Certain debts are alleged to be owed by this person

to Air Canada. How long have those debts been owed, and what, if anything, has been done to collect them? Were the R.C.M.P. involved in this?

Mr. McIlraith: No, Mr. Speaker, the R.C.M.P. were not involved in this. I did look into the matter. I tried to look into all aspects of it. There is a judgment of the court against the person involved. I believe that judgment has not as yet been paid. It is a current matter.

Mr. Lewis: A further supplementary, if I may. If the minister has looked into the matter, would he inform the house how long that court judgment has been in effect and whether any steps have been taken to collect the money on the basis of that judgment?

Mr. McIlraith: I believe the date of the judgment, Mr. Speaker, is March 13, 1968. This is a matter of public record in the Supreme Court of Ontario. Subsequent proceedings were taken and instructions were given to the solicitors. I do not have a report and do not know what stage the solicitors have reached in carrying out their instructions.

BIAFRA—CO-OPERATION WITH CO-ORDINATOR IN RELIEF OPERATIONS—ACTION TO TERMINATE HOSTILITIES—EXECUTION OF REFUGEES

Mr. Andrew Brewin (Greenwood): I have a question for the Secretary of State for External Affairs. In view of the statement made by President Nixon that a special co-ordinator had been appointed to aid relief operations of the Red Cross and other organizations in Biafra and Nigeria, will this government consider keeping in close touch with the co-ordinator, with a view to assisting any efforts he may recommend to relieve human suffering in those areas?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have been very closely in touch with all relief efforts relating to Nigeria and Biafra. We have offered to co-operate with any of those who will be making donations. I do not think it would be appropriate for us to keep in touch especially with United States co-ordinator. If there are international co-ordinators, we will keep in touch with them. There are voluntary and government relief efforts here in Canada and they are very well co-ordinated. We do not anticipate any problem in that direction.

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to ask the Secretary of State for External Affairs if he can tell the house whether he or the government have taken any initiative with regard to bringing about a solution to the struggle in Nigeria instead of repeatedly saying that it is necessary for them to agree among themselves to stop fighting?

Mr. Sharp: As I said on many occasions, Mr. Speaker, there is no lack of mediators. There is lack of agreement on certain fundamental conditions. When the leaders of the Nigerian government and the Biafra authorities agree on the basis for negotiation, then we can proceed. So far there has been no fundamental agreement. There is nothing we can do about it. We stand ready to help in any way we can, once they decide they would like to get together.

Mr. Stanfield: A supplementary question, Mr. Speaker. Am I correct in assuming from what the Secretary of State for External Affairs has said, that nothing is being done with regard to this matter?

Mr. Brewin: A further supplementary question, Mr. Speaker. This relates to a question I asked the minister the other day as to what had been done to implement the minister's promise given in the house on November 26 that the government would work toward a better legal framework within which humanitarian assistance could be provided to people affected by civil conflict. The minister said he would consider this and give me an answer. I am wondering if he is ready to give this answer now?

Mr. Sharp: Yes, Mr. Speaker. I have had an answer for a number of days. I hoped my hon. friend would ask the question again.

Mr. Woolliams: You have your book of notes. Go ahead and read it.

Mr. Sharp: May I answer another question while I look for that one?

Mr. Hees: You haven't even got it? What a government!

Mr. Sharp: The other day, February 19, the hon. member for Egmont asked me a question which I promised to answer. He is more diligent than the hon. member for Greenwood in

following up his questions, so I will answer his question first.

The hon. member for Egmont asked me whether I would investigate a recent report. I quote the hon. member's words:

All male Biafran refugees in Port Harcourt are in danger of being executed?

The report originated in a Radio Biafra broadcast of February 17 which alleged that all able bodied men in a certain refugee camp had been transferred to Port Harcourt for execution and that 120 men were executed during the week beginning February 10 at Port Harcourt.

First I would note that the Lagos government denied these reports on February 18. Second, General Hamilton, the Canadian representative on the Observer Team which visited Port Harcourt February 18 to 20 inclusive has informed me that the team visited the federal prison in Port Harcourt, and two refugee centres, the latter housing 3,000 and 4,000 refugees respectively. There was no evidence to support an allegation that all male Biafran refugees in Port Harcourt are in danger of being executed. Refugee camps appear to be well administered and are receiving medical aid and food from the Nigerian Red Cross and the International Red Cross. Many male refugees were seen and ample opportunity was afforded to them to voice their complaints or fears. None was offered. The team spoke to many civilians, including the head of the I.C.R.C. there. If 120 male refugees had been slain rumours would certainly have reached them.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker, relating to the ministers' reply to the Leader of the Opposition with respect to the conditions being attached by both sides in order to effect some kind of cease fire. In view of the statements made last Friday by foreign affairs commissioner Arikpo referring to new proposals for a cease fire allowing for more latitude than previously mentioned by the Nigerian military government, has our government or its representatives taken any steps, particularly at this time when there is a two day truce, towards initial discussions for a cease fire?

Mr. Sharp: Nothing would please me more than to see an agreement between the two sides upon which the initiatives could proceed.

[Mr. Sharp.]

Now may I answer the question of the hon. member for Greenwood—

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. I appreciate the minister's concurrence with my view but I wonder whether he would answer my question concerning whether we are making use of the opportunity to further such discussions.

Mr. Speaker: I remind the hon. member and the minister that we are running out of time and I notice there are a number of other members who seem to be anxious to rise to ask questions.

Mr. Sharp: Mr. Speaker, perhaps I might now reply to the question of the hon. member for Greenwood of February 4. We have been actively engaged in consultations with representatives of certain other countries, both at the United Nations and elsewhere concerning the co-ordination of relief to civilians who may be suffering as a result of armed conflict. We have also been in touch with the International Committee for the Red Cross. Consultations are continuing and I hope arrangements will be worked out soon for some solution of this problem in an appropriate United Nations body. The Economic and Social Council is to meet shortly. Canada is not presently a member, but some of the other countries which are represented on ECOSOC are taking the initiative for us.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF DISPUTE WITH ARTEC

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister of Labour if he can advise the house whether or not he has received a report of the conciliation board in respect of the dispute between the C.B.C. and ARTEC? If he has not received this report can he tell us when he expects to receive it, and can he report to the house on the state of the situation at the moment.

Hon. Bryce S. Mackasey (Minister of Labour): I have not yet received the report of the conciliation board headed by Professor Arthur. When I will receive this of course is entirely within the competence of the chairman of the board of conciliation to decide but indications are that it will be very soon.

[*Translation*]

TELEVISION

REQUEST FOR SERVICE AT CHAPAIS AND CHIBOUGAMAU

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would have liked to put a question to the Secretary of State, but in his absence I will direct it to his Parliamentary Secretary.

Could the Parliamentary Secretary tell us whether a final decision has been taken to provide the towns of Chapais and Chibougamau in the Villeneuve constituency with free television service in 1969?

Mr. Speaker: In my opinion, that question should be put on the order paper.

VIOLENT DISTURBANCES

PROTECTION OF PUBLIC BUILDINGS BY ARMED FORCES PERSONNEL

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Solicitor General.

In view of the work done by the municipal and provincial police as well as by the R.C.M.P. as a result of a series of bombings in Montreal, could the Solicitor General tell us whether the Province of Quebec has requested that the public buildings be watched by members of the Canadian armed forces? If not, does he recognize that it is essential that public buildings in Montreal be watched by the Canadian Army?

[*English*]

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I am not aware of any request having been made by the province for army surveillance around federally occupied buildings,—if I understood the question correctly; but there is quite close co-operation between the police forces on this whole question of bombings in the area.

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSIONS IN SWEDEN AS TO RECOGNITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he could bring the house up to date on the discussions which took place at Stockholm on Monday between the Canadian ambassador and the leader of the Chinese delegation.

Hon. Mitchell Sharp (Secretary of State for External Affairs): There is nothing further to report, Mr. Speaker. I have given in the house as complete a report as I can up to the present time.

INQUIRY OF THE MINISTRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Public Works. As a result of the oversight in respect of the Atlantic region in the estimates of the Department of Public Works can the minister confirm whether this department is revising its estimates with the Prime Minister's concept of regional disparity in mind?

Mr. Speaker: The hon. member for Athabasca.

Mr. Lundrigan: Mr. Speaker, may I rephrase my question?

Mr. Speaker: There are only a few seconds left. I have recognized the hon. member for Athabasca.

IMMIGRATION

VIOLENCE AT SIR GEORGE WILLIAMS AND OTHER UNIVERSITIES—RELATIONS WITH WEST INDIES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to direct this question to the Secretary of State for External Affairs. In view of the fears of a backlash developing against foreign students in Canada as a result of the events at Sir George Williams University, will the minister make a statement outlining his discussions of Monday in this regard with Clarence Bayne of Sir George Williams University?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on Monday I received a delegation of students, professors and others who were interested in the Sir George Williams affair. I had originally intended to give them half an hour, but decided they needed a couple of hours to express their views. I did so because I was deeply concerned about any possible repercussions there might be in respect of our relations with the British West Indies. I am sure members of the house would consider it most unfortunate if these events should have any unhappy consequences with respect to the very good relations we now enjoy with the British West Indies.

Mr. Speaker: Order, please. We have gone beyond the time allotted. I might allow the

hon. member for Calgary North to ask a supplementary question.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would have liked to ask this question of the Minister of Manpower and Immigration, but I shall address it to the Prime Minister. As the Department of Manpower and Immigration exercises its discretion to keep out United States deserters, has the government instructed the officers of the department to exercise the same discretion in respect of keeping out revolutionaries and other disturbers who come to our universities from other countries.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the minister has dealt with this previously in the house, but I am sure he will be prepared to deal with it again.

[*Translation*]

EXHIBITIONS

MAN AND HIS WORLD—STATEMENT BY PRIME MINISTER AS TO TERMS OF AGREEMENT

Right Hon. P. E. Trudeau (Prime Minister): In view of the question put to me earlier by the member for Sainte-Marie about Expo, I should like to inform the house that I have just received information which could be given to the house since it will be announced in Montreal very soon.

At a meeting held in Montreal yesterday and attended by representatives of Canada, of the province of Quebec and of the city of Montreal, the Minister of Industry, Trade and Commerce, on behalf of the government of Canada, accepted the proposal made a few days ago by the Finance Minister of Quebec, Mr. Dozois.

The three governments have agreed to an acceptable arrangement in order to pay the share of the city of Montreal in the deficit of Expo '67.

Under this agreement, Montreal will reimburse its share of the deficit over a period of eight years, as of April 1, 1969.

As for Quebec, an adjustment was made to the conditions for reimbursement previously negotiated. Reimbursement of the $5.5 million payable during the fiscal year 1969-70 will be deferred until 1972. This arrangement will help Quebec to finance "Man and his World" in 1969. The press release indicates the numerous ways in which the government of Canada has supported "Man and his World" in 1968, and refers to a number of million dollars that Canada has contributed to Expo. (*Applause*)

[Mr. Speaker.]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, as this statement was not made on motions, it is difficult for members of the opposition to comment on it. Can the Prime Minister assure us that the Minister of Industry will make a more substantial statement tomorrow, so that we may express our views on the document and also in order to give us more details about the agreement, for instance, the rates of interest and the conditions of payment?

Mr. Trudeau: Mr. Speaker, I was reading this in answer to a question. I suggest that with regard to a statement, an inquiry may be made of the minister tomorrow. I shall mention it to him on his return.

Hon. Martial Asselin (Charlevoix): On a point of order, Mr. Speaker.

If the statement of the Prime Minister is really official, would he object to its being appended to *Hansard*?

Mr. Trudeau: Mr. Speaker, I have read notes which I received from the minister and which are not a document that can be made available to the house. I am convinced that if the minister has to make a statement, he will see no objection to tabling the substance of his text, but I have only my notes.

Mr. Valade: Mr. Speaker, on a point of order.

I think that the Prime Minister, in his capacity of leader of the cabinet, could commit himself, on behalf of the government, to ask the Minister of Industry to make a statement giving us the particulars—

[*English*]

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Minister of Finance. I should like to ask the minister how the indebtedness of the province of Quebec and the city of Montreal will be treated in this year's government accounts, and whether it will appear as a debit.

Mr. Benson: Mr. Speaker, it is not a matter of a deficit; it is a matter of an outright receivable, presently to the Expo Corporation, but when it is wound up it will become a receivable of the government of Canada. It is not a matter of writing it off. The amounts are receivable from the province and municipality.

TRANSPORT

FAILURE TO INCLUDE MARITIME FREIGHT RATES IN HOUSE BUSINESS

Mr. Robert McCleave (Halifax-East Hants): I rise on a point of order, Mr. Speaker. I tried to catch your eye during the question period, but perhaps I might be allowed to raise a point of order now. My question arises from the outline of legislation given by the President of the Privy Council and the government house leader on February 20, as set forth at page 5743 of *Hansard*. There was no reference to Atlantic transportation and the Maritime Freight Rates Act. I had hoped that the Minister of Transport would assure the extension of this act as part of the government's program.

Mr. Speaker: I doubt very much that this is a point of order. I suggest to the hon. member that he has made a representation for the consideration of the President of the Privy Council, but I would not think that the Chair should be expected to rule on the point as raised.

Mr. McCleave: The difficulty that arises is that the business can be announced one day by the government house leader, who is invariably here, yet invariably the minister involved in this particular case is not here. That is why I attempted to raise the matter in this fashion. If he would say yes or no, we would know where we stand.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed from Tuesday, February 25, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on a point of order.

I wish to inform the house that I have approximately 25 or 30 minutes left to speak, and I noticed last evening that the house, or at least a number of members, seemed to agree that the question be put.

Therefore, in order to allow the house to vote on the advisibility of referring Bill C-150 to the committee for consideration, if the house agrees that the question be put, I am willing to consider my speech completed, otherwise I will proceed with it.

Some hon. Members: Hear, hear.

[*English*]

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

[*Translation*]

Mr. Laprise: I want to rise on a question of privilege, Mr. Speaker.

I want the house to know for sure that I have not taken my decision at noon as a result of representations or of intimidation by the hon. member for Saint-Henri (Mr. Loiselle), who said last night, as recorded in yesterday's *Hansard*, page 5955, and I quote:

> You will get a taste of your own medicine. You will fall into the canal and stay there—

Well that is not the reason why we came to that decision today.

Mr. Speaker: Order. Do hon. members agree that the question be put? I realize that the hon. member for Abitibi has risen on a point of order and suggested that if the debate is to continue, he will go on with his speech. Perhaps I should recognize the hon. member for Abitibi.

[*English*]

Mr. Speaker: Order, please. There seems to be some difficulty.

[*Translation*]

Mr. Valade: Mr. Speaker, on a point of order.

Mr. Speaker: Does the hon. member for Sainte-Marie (Mr. Valade) want to take part in the debate?

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

I would just like to say that I was to take part in the debate today. However, I approve the proposal that has been made. My colleague, the hon. member for Charlevoix (Mr. Asselin) had also showed his intention to speak as well as my colleague, the hon. member for Saint-Hyacinthe, Mr. Ricard. But we are ready to cooperate with the hon. member

Division

who has just put forward the proposal, in order to speed up the work of the house.

Mr. Speaker: Does the house want the question to be put now?

[*English*]

Is the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Turner, Ottawa-Carleton), which was agreed to on the following division:

• (3:10 p.m.)

YEAS

Messrs:

Alexander
Anderson
Andras
Badanai
Baldwin
Barrett
Basford
Béchard
Beer
Bell
Benjamin
Benson
Blair
Blouin
Breau
Brewin
Broadbent
Brown
Buchanan
Burton
Cadieux (Labelle)
Cafik
Cantin
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Longueuil)
Crossman
Cyr
Danson
Davis
Deachman
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dubé
Émard
Fairweather
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gilbert
Gillespie
Givens
Gleave
Goode
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harries
Hees
Hellyer
Hogarth
Honey
Howard (Okanagan Boundary)
Howard (Skeena)
Hymmen
Jerome
Kierans
Knowles (Winnipeg North Centre)
Laflamme
Laing
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lewis
Lind
Loiselle
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacEwan
MacGuigan
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
Macquarrie
McBride
McCleave
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Mongrain
Morison
Munro
Murphy
Nesbitt
Noël
Nowlan
Nystrom
O'Connell
Orlikow
Osler
Otto
Ouellet
Penner
Perrault
Peters
Pilon
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Ritchie
Roberts
Rochon
Rock
Rose
Roy (Timmins)
Ryan
Saltsman
Schreyer
Serré
Sharp
Skoberg
Smerchanski
Smith (Northumberland-Miramichi)
Stafford
Stanbury
Stanfield
Stewart (Cochrane)
St-Pierre
Sulatycky
Thomas (Maisonneuve)
Thomson (Battleford-Kindersley)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Whelan
Whicher
Whiting
Winch
Woolliams
Yanakis
Yewchuk—158.

NAYS

Messrs:

Alkenbrack
Asselin
Beaudoin
Caouette
Carter
Coates
Comeau
Crouse
Danforth
Diefenbaker
Dionne
Downey
Dumont
Flemming
Forrestall
Fortin
Gauthier
Godin
Hales
Harkness
Howe
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCutcheon
McGrath
McKinley
Marshall
Matte
Mazankowski
Monteith
Moore (Wetaskiwin)
Muir (Cape Breton-The Sydneys)

Noble
Paproski
Peddle
Ricard
Rodrigue
Rondeau
Rynard
Scott
Skoreyko
Southam
Stewart (Marquette)
Sullivan
Tétrault
Thompson (Red Deer)
Valade—54.

• (3:30 p.m.)

FINANCIAL ADMINISTRATION ACT

AMENDMENTS DEFINING VARIOUS TERMS AND AUTHORIZING THE EXERCISE OF POWERS

Hon. C. M. Drury (President of Treasury Board) moved that Bill C-172 to amend the Financial Administration Act be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Baldwin: On a point of order, Mr. Speaker, surely the minister intends to make a statement, even if a brief one, on a matter of such consequence as this, setting out the reasons for this proposal so that we on this side may be able to respond. I am not inviting the minister to make a two hour speech, of course. I want to make that quite plain.

Mr. Drury: I accept the invitation extended by the hon. gentleman, Mr. Speaker, and take note of the suggestion he made that my observations should be limited.

At various times since the publication of the Report of the Royal Commission on Government Organization, better known as the Glassco Report, this government has informed the house of the progress which has been made in the study and implementation of the recommendations contained in that report.

Hon. members are doubtless aware of conditions which existed in the days preceding the commission inquiry. There were many defects in the machinery of government. A failure to adjust the concepts and processes of public administration to a dynamic society had severely limited the capacity of departments to manage effectively their large and complex operations.

The commissioners, in the report on their inquiry, noted the formidable structure of detailed central control, which they described as costly, unproductive and frustrating. These were controls which not only divested departments of the authority deemed essential to effective management of operations, but controls which had seriously weakened the sense of responsibility of departmental managers. Organization and systems had become unresponsive to changing conditions, needs and priorities.

The commissioners found that techniques of modern management, appropriate to public or private enterprise, were almost totally lacking. It followed logically that staffs were not adequately equipped to develop and implement concepts and systems essential to efficient operations.

Against this background of a vast organization, limited in its effectiveness by proliferation of controls, by divided responsibility, by an absence of modern management concepts, and by an all-pervading sense of frustration with the unreasonable restraints of the system, Glassco set out a concept of management that would revolutionize the machinery of government.

The challenge of the Glassco Report was quickly taken up; there followed a long series of events and hard work which have resulted in dramatic change in the style and calibre of administration in the government of Canada. Following study of the commissioners' recommendations, central agencies quickly reorganized to provide the leadership that would be needed to pilot the implementation of those recommendations. Extensive training programs were developed in a number of specialized areas, but especially in accounting, and departmental staffs were prepared for new and greater responsibilities.

Where senior level staff resources were inadequate to launch the program of administrative reform, we turned to the private sector and attracted highly-qualified personnel into the service. We also brought in consultants to speed up the process of reform and our staff learned from them. At the same time we developed our own specialized consultant capacity, so that the momentum of management improvement would be maintained.

• (3:40 p.m.)

Now departments have reached a level of managerial competence which could hardly have been contemplated when Glassco and his distinguished colleagues were commissioned to undertake their inquiry into government organization and operations. A full exposé of accomplishments to date would be difficult. However, by way of a further example, the introduction of program budgeting is unquestionably one of the historic milestones in the development of public administration, and Canada is recognized as a leader in this development.

Many other measures have been taken to implement Glassco's basic concept of management and his specific recommendations. Financial management throughout government has improved quite dramatically. The wisdom of Glassco's main theme and his faith in people to react positively when given authority and responsibility have been amply demonstrated.

Throughout government much has been done to reap the benefits of the Glassco commission report, and we are on the threshold of implementing the remainder of the most fundamental proposals respecting financial administration and organization. Now, with some measure of pride, I am able to propose in this bill to amend the Financial Administration Act significant and far reaching changes for improvement of efficiency and effectiveness of government operations.

It is not a coincidence that the bill to amend the Financial Administration Act is closely related to the government organization bill, since the latter bill will also implement major Glassco recommendations. Where, in the bill that I have placed before the house, the control functions of the Comptroller of the Treasury would be transferred to departments, in the government organization bill the office of the Comptroller would be the base on which would be built the services side of the department of supply and services. This organization would have a new and vital role to perform in government operations and in pursuit of efficiency and effectiveness in support services. All of this was visualized by Glassco where he discussed a new approach to the tasks of management and the concept of common supporting services.

Because the Financial Administration Act and the proposed amendments are rather technical, I imagine hon. members will want to take some time to study the bill. Therefore, I believe it would be appropriate if I merely highlight the most significant proposals.

A moment ago I spoke of the proposed transfer of financial control functions to departments. This change would involve the offices of the Minister of Finance, Receiver General and Comptroller of the Treasury; and the functions of pre-audit, commitment control, allotment control, keeping the accounts of Canada, and preparation of the public accounts.

The proposal would end the duplication of work and divided responsibility in the area of financial control which Glassco criticized, quite correctly in my own view, and it would permit—indeed it would require—departmental managers to assume full responsibility for their own financial management. In this situation, managers could be held accountable for their performance in managing their operations. In addition, considerable economies may be expected from implementation of this proposal.

Hon. members will know it is proposed that the office of Receiver General would assume the statutory responsibilities of the Comptroller of the Treasury, other than those which will be transferred to departments. In addition to current Receiver General responsibilities, that office would be assigned responsibility for such major functions as cheque issue, keeping the accounts of Canada, and preparing the public accounts.

Other proposals for amendment, while not specifically related to Glassco recommendations, or with reorganization, are important for improved efficiency and effectiveness in government operations. Included in this group is one respecting fees and charges for services, which would permit the introduction of a more efficient system for setting fees and charges. Glassco dealt at some length with the question of non-tax revenue and the need for improved management in this area.

Currently, the statutory framework for the determination of fees and charges to be made by departments for services which they provide creates a number of difficulties in managing this aspect of public administration. In addition, the act is not in a form that encourages departments and agencies to keep under constant review the level of charges. Furthermore, certain charges are fixed by statute and therefore remain unchanged for many years. The proposed amendment is designed to rationalize and improve the effectiveness of the administration of charges for services.

Part V of the act, which deals with public stores, is now considered inadequate to meet the needs of modern property and materiel management practices and should therefore be amended. It is proposed, first, to rename the Part "Public Property", so that the amended part would cover both real property and materiel, and second, to empower the treasury board to regulate the custody and control of public property.

The section which refers to revolving funds would be deleted. I believe that it would be infinitely more effective and realistic to use the device of regulations for the very extensive and complex directions which are needed

today in respect of revolving funds, since these funds now cover a wide variety of activities not contemplated in the existing sections, which concern only stores activity.

A proposed new Part VIIIB, which would be titled "Assignment of Debts Due to the Crown under Payment Bonds", is the last major proposed amendment I wish to mention. This proposed part concerns the assignment of debts due the Crown under labour and material payment bonds. These bonds are purchased by contractors who enter into government contracts, and are designed to protect sub-contractors and suppliers in the event of the bankruptcy of the main contractor. The purpose of this new part is to give sub-contractors and suppliers working on federal government contracts the right of action before the courts by making them assignees of the right of the Crown to sue under payment bonds. Sub-contractors and suppliers working on federal government contracts will then have protection similar to that afforded by provincial mechanic's lien legislation.

I have discussed very briefly only some aspects of this bill. However, I would be pleased in committee to go into detail on the Clauses of the bill and to answer, to the best of my ability, any questions which hon. members may wish to ask.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, there are a few comments I should like to make in connection with this bill. As the minister has said, a good deal of it is technical, relating to matters of detail that members of the committee will wish to inquire into very carefully.

The minister referred to the Glassco report and the implementation of that report, which I must say seems to some of us to be a very slow process, indeed unnecessarily slow. When he spoke of the improved financial management that had taken place as a result of the steps that the government had already taken, it caused me to wonder just what the minister does regard as improved financial administration in view, for example, of the great discrepancies between the estimates that were originally tabled for the current year and the expenditures for the current year that we now know the government has made. I cannot help but wonder, if this is the result of improved financial administration, what we would have been confronted with in the absence of these improvements.

It seems to me that a good deal more than the kind of reorganization contained in this bill is going to be required before the country will have confidence in the financial administration of this government, in view of the experience this past year. In presenting this bill the government assumes, of course, that the bill relating to government reorganization will pass. Certainly, some provisions of the present bill, including the schedule, cannot be effective unless the other bill passes.

• (3:50 p.m.)

I now wish to raise a question having to do not only with financial administration but also with the supervision over expenditure and finance in general to be exercised by an officer of parliament—I think that is a correct designation—the Auditor General. I think it is proper to discuss the Auditor General under this bill. From what has been said, it appears that the government is presenting its accounts to the house in such a manner that they are confusing. That is not my phrase; the minister used it. The government apparently is trying to be deliberately confusing. In future it may no longer be possible for parliament to supervise government expenditures. We may not have reached that stage yet, but we seem to be heading in that general direction. If the government continues to try to confuse the house and country with the sort of estimates and accounts it now presents it will be very difficult for parliament to maintain any watch over government expenditures. Each year those expenditures increase. This year they are about $1 billion over the expenditures of last year, and in the coming year they will be about $1 billion over this year's expenditures. With those increased expenditures come increases in taxation. Many hon. members of the house do not approve the form those increases have taken.

Surely, Mr. Speaker, it is not necessary to labour the point. It is of increasing importance to the country that parliament should have effective power in scrutinizing government expenditures. Obviously, the office of Auditor General is becoming increasingly important. Although the government may confuse ordinary hon. members of the house, it will not confuse the Auditor General if he has adequate staff at his disposal for the job he is supposed to do. It is urgently important, therefore, for legislation to be introduced with regard to the office of the Auditor General. The Auditor General must not be an appendage or emanation, so to speak, of the Financial Administration Act. He must be

independent and legislation ought to be introduced specifically to ensure the freedom of action of the Auditor General. Provision should also be made for him to have the necessary means to inform parliament and the country. He ought to have adequate staff and facilities to enable him to report to the House of Commons about the financial affairs of the country.

It is inherently wrong for Treasury Board to control the administrative funds and staff of an officer who has the responsibility of reporting to parliament on the government's financial actions and wrong for Treasury Board to have power to veto suggestions the Auditor General considers necessary for the adequate carrying out of his duties. I do not suggest the Auditor General should have a blank cheque; but I think we ought to establish machinery under which the Auditor General can ask the house directly for funds he considers necessary for the adequate carrying out of his office. That machinery should become part of our routine.

This house ought to vote directly on the Auditor General's requests with regard to the establishment of staff. The consequences of having Treasury Board control the administrative expenditures of the Auditor General are becoming increasingly serious. That officer is supposed to audit and check government expenditures and I cannot emphasize too strongly how important it is to have present inadequacies in this regard corrected. I will not feel secure, and I do not think many other hon. members will, until adequate arrangements have been made for the Auditor General to secure the staff and facilities he needs so that he may report to parliament on the financial condition of the country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I begin my remarks by using a word that gave the President of the Treasury Board (Mr. Drury) prominence in the newspapers. I do so by saying that in this bill we may be dealing with one of the ineluctable facts of life. Nevertheless, I do not think we should accept everything as ineluctable.

I agree with the Leader of the Opposition (Mr. Stanfield) that we are in danger of losing almost complete parliamentary control over government expenditures. I recognize that conditions over the years have changed very much. Government operations have become so massive and extensive that administrative methods satisfactory a generation or a century ago will not fill the bill today. Accordingly, it is desirable to have the whole problem examined in the way the Glassco commission did in order to see what improvements can be made to the government's financial operations.

[Mr. Stanfield.]

I have the impression, Mr. Speaker, that we are now setting up the government as a kind of crown corporation, a kind of colossus that is out there by itself, running itself, and parliamentary control over it is little more than a fiction.

May I be specific about one or two aspects of this bill which I think have that effect. There is a clause in the bill which, I admit, carries forward a section that was in the old Financial Administration Act; but it carries it forward and underlines it in a way that I do not believe is necessary. I refer to the clause which makes it possible for money relating to an item in the estimates to be spent by the government even though that item has not yet been passed by parliament. I draw to the attention of the President of the Treasury Board (Mr. Drury) the fact that some rather extensive changes were made in the rules of this house during the course of this session. One of these changes requires that the main estimates shall be voted on and decided by the House of Commons by June 30 of each year. Under the former rules, the estimates did not get passed until the fall and sometimes not until December, January or February. Under those conditions, one could understand the need for certain administrative latitude but these new rules changed all that.

• (4:00 p.m.)

I speak as one who had the privilege of being a member of the committee on procedure and I can say that one of the motivations in making this change was to have more parliamentary control over government expenditures. We agreed to the abolition of Committee of Supply because we felt the discussion of supply estimates on the floor of the house was really just debate on various subjects and not on examination of the estimates. We agreed it would be better to have a minute examination in committee. With great emphasis, our eyes wide open and with determination, the provision was made that parliament ought to make its decision on the estimates by the end of June of each year. Our reason was clear. We wanted to get away from the practice which has been in effect for so long of spending money before it was provided by parliament.

The section to which I have referred has been redrafted and makes it even more clear that money can be spent as long as it has been included in the estimates, even though those estimates have not yet been passed. I think the government should have moved in the other direction when bringing forward this section. Otherwise, the talk of trying to get more parliamentary control over expenditures is meaningless.

I turn now to the proposal to abolish the Comptroller of the Treasury. I recognize the arguments put forward by the Glassco Commission in this respect. The attempt is to put government on a business basis, or to delegate responsibility. As I understand it, the main function of the Comptroller of the Treasury was to certify before money was spent that there was parliamentary authority for it. This authority is now to be transferred to the several deputy heads of the departments. Now, instead of having one man responsible to parliament to make decisions as to whether or not it is proper to spend this money, we will have 20, 25 or perhaps even more. These men who will now make the decision to spend money are the deputy heads of the departments who are involved in policy and in spending. These are not employees or public servants with the same approach as an auditor, or the approach of one who is trying to keep a check on things.

I studied the bill as much as possible in the short time which I had it. I listened to what the President of the Treasury Board had to say. I realize some of the functions of the Comptroller of the Treasury are being transferred to the minister or to the Department of Supply and Services. His main function as far as parliament is concerned is the checking of expenditures before they are made. That is now being transferred to the deputy minister of each department.

The minister can use his favourite word and tell us this is one of the ineluctable facts of life in a modern government, but how far does it go? Do we lose completely the parliamentary control of expenditures. I believe it was last February when members of the procedure committee visited Britain in order to study their rules. We learned that it was decided over a century ago in Great Britain that control could not be maintained over such a large operation by the Committee of Supply performance which they had or which we formerly had. It is my impression that Great Britain has replaced the control of the Committee of Supply with a tighter control on the part of the Auditor General and of an officer such as the Comptroller of the Treasury. I feel we are going in the wrong direction.

We had no option but to change our procedures so far as the Committee of Supply was concerned. We can do a better job of examining the estimates in committee, but in that process we are giving up a certain area of parliamentary control. A full year's estimates have not been handled under the new rules. Next week there will be three days' debate on supplementary estimates with Mr. Speaker in the Chair. The day the main estimates are to be passed at the end of June, there will be no discussion in the house. This will have been done in committee. We will vote only on the ones upon which hon. members decide they want to vote. This will be done in the house with Mr. Speaker in the Chair. We will rely on the various committees having done their job. If along with that, we extend to departments the right to spend money before it is voted and if we abolish the office of the Comptroller of the Treasury, this final operation will be even further removed from parliament.

The argument is put forward that this is a responsible government and if it acts wrongly, it can be defeated. That is rather fictional. It is not only fictional, but too late. I hope, Mr. Speaker, that the committee to which this bill will be referred will take a close look at it. The clauses dealing with management of property are sensible and businesslike. The clauses dealing with debts owing the Crown and the clauses dealing with various accounting details are important, but I think the general picture is not good and should be studied again. My impression is that financial operations involving $10 billion or $12 billion, and maybe $20 billion before too many years, are something which we must accept because there are faithful civil servants working hard, thinking they are going to receive a good pension. These people will be fooled when they reach retirement age, like many who are now retired.

I looked in vain in this bill to amend the Financial Administration Act for some modification of the section which makes it possible for the government to make rebates or remissions or to forgive money owing to the Crown. As the minister is aware, several of us have complained about some abuses which I think have been exercised under this provision. I refer of course to the classic abuse of 1962 when the government of that

day managed to increase duties by a combination of raising them under the Customs Act higher than they wanted to and then cutting them back by using the section in the Financial Administration Act in respect of rebates. This has been done in quite a few cases. One example is the interesting Brinco case in respect of which the government, seeming to think it had to do something for that outfit down in Newfoundland, used this rebate section in the Financial Administration Act to provide relief from a tax that parliament decided was to be paid. As I read that section in the Financial Administration Act, it would not seem to confer that kind of authority at all. When it was used in 1962—I believe wrongly—the government that came in a year or so later received advice that it had better legalize the previous action by a statute, lest in the courts it be proven this was an abuse. I think that is a section in the Financial Administration Act that ought to have been dealt with in this bill.

● (4:10 p.m.)

This might seem to be a little different tack than the one I have been taking, but it is in the same field. What I am concerned about is parliamentary control over expenditures, over the government and over the executive. I do not for one moment ask that we go back to a committee of supply operation such as we had in this House of Commons in the 1870's or 1880's when the Canadian financial operation was a very small proposition. I admit that the financial operation must be set up on a business basis and that there must be an operation with people in charge; but they should not be left as czars unto themselves. There should be a responsibility to parliament. Parliament should have precise people like an Auditor General and a Comptroller General. Parliament should say the money cannot be spent until it is voted. I think unless we do that sort of thing we will be surrendering more and more parliamentary control over the expenditure of money. In my view the government must make its operations more businesslike, yes, but let us remember that it is not a private business; it is the people's business. We represent the people and the final say on these things should be ours here in parliament, on their behalf.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would be angry with myself for not saying a few words at this stage of the motion

[Mr. Knowles (Winnipeg North Centre).]

for second reading of Bill C-172, concerning the Financial Administration Act.

This bill is a first step. I hope the government is sincere in its desire to reform the financial administration. Having attentively considered every clause of this bill and attempted to foresee its consequences, Mr. Speaker, I still believe it is a first step and I still consider it definitely insufficient.

As regards the main effects of this bill, I think the hon. member for Winnipeg North Centre (Mr. Knowles), who spoke before me, has explained them well. I believe the only result of this bill is to pursue what has already been so well undertaken, namely to deprive parliament more and more of its power to control the financial administration in order to put it into the hands of deputy ministers or "deputy administrators". Thus, Mr. Speaker, the House of Commons is steadily losing its privilege and its power to control efficiently the administration of the common weal, not in its political aspect, but essentially from the standpoint of the financial administration.

Mr. Speaker, my comments are based upon seven points with which I will deal very briefly.

First, I say that the government spends the money before it is voted by parliament. I suppose several hon. members have looked into the famous Glassco Commission report, which considered the oer-all problem of government reorganization. The Commission advocated a more modern, more efficient and simpler administration.

As one considers the bill, Mr. Speaker, one can see that it will not solve the problem that has faced us for so many years. Indeed, the government spends money even before it is voted by parliament. This is why I dealt with this subject at the beginning of my speech; I want to oppose it tooth and nail, because I claim that the House of Commons is the supreme institution, the people's institution in the highest sense of the word, the institution where responsible ministers must account for the administration of their department and for the various crown corporations and financial institutions for which they are answerable to parliament. Mr. Speaker, it is essential that administrative questions be referred to parliament even before the estimate are spent. This situation shows to what extent the house of commons, as far as financial administration is concerned, is compelled to play a ridiculous part, since all a member has to do is to approve the expenses made by the

government in the past year. And by the way, Mr. Speaker, I think that any intelligent, alert and experienced administrator will agree with me that to approve expenses already made, is no way to manage a private concern and even less a government.

I wish to refer to the suggestion of the Glassco Commission about a complete reorganization of the government, whether it be Liberal, Conservative Progressive, New Democratic or Créditiste in the financial and administrative fields. If you will have a look at the bill introduced by the President of the Treasury Board (Mr. Drury), you will notice that this measure goes precisely against the proposals put forward by the Glassco Commission.

The Glassco Commission acknowledges not only implicitly but also explicitly, that all the ministers and Crown corporations are responsible to parliament for their administration. Though we are willing to lighten the responsibilities and the financial burden of the ministers, we must all the same allow them to keep in touch with the financial management of their own department, so as to enable them to give an appropriate account of it to parliament.

The purpose of the present bill is to abolish a number of administrative posts in the office of the Treasury Board and to transfer these duties and responsibilities to what we could call "deputy administrators" which means public servants who will have no responsibility whatsoever towards the people.

They only do it through a minister who, more often than not, lacks the time to be fully informed or to keep track of what is going on in his department.

As a matter of fact, Mr. Speaker, I believe that the step we are taking now in the field of administration is a step backward rather than a step forward. On the other hand, I would not like to be too drastic on this matter for we should not of course load one and same man with the burden of too many financial responsibilities. After all, we are human beings and there is a limit to what a man can do. This applies especially in the case of ministers, considering all they have to do. In fact, they have to assume the responsibility of the whole department and keep in touch with everything that is happening there.

It is interesting to note that the work will be distributed. But, on the other hand, I should like the house to be assured that the ministers will be answerable to parliament, to a greater extent, for the financial administration of their departments. After all, it is not the civil servants who are answerable to the Canadian people, but the members of parliament.

Mr. Speaker, thirdly, I should like to point out that this delegation of powers to subalterns is not generally desirable. Although this practice has some good points, the bill before us does not give us, to my mind, the guarantee that the accounts of the ministers will be accurate, serious and complete.

I feel that the bill is lacking, especially because it does not guarantee that the members of parliament will be as well informed on the administration of the departments as they are now or, as I would wish, that they will be even better informed.

I should also like to point out, Mr. Speaker, that the administrative machinery is not very flexible because it is controlled by what my English colleagues call the establishment. Indeed, until such time as the President of the Treasury Board proves the contrary, I shall claim that the establishment has far too much control over the administration, compared to members of parliament.

• (4:20 p.m.)

I do not mention it necessarily as a Créditiste, but merely as a member of parliament. I should be very glad, whatever the government may be, to be better informed about the administration of the various departments.

I believe that this the responsibility of every minister. Some of them, Mr. Speaker, do give us information about their department, and co-operate fully with the members of parliament in providing them with the information they need to answer the questions of their constituents, and thus to participate in an intelligent and sound manner in the work of this house.

However, some others may, under this act, refuse to give this kind of information, and I think that even government members know which ones I am talking about.

Mr. Speaker, I repeat that this bill is inadequate. If the government's financial administration apparatus is to be overhauled, I think it should not be done piecemeal. We should go to the bottom of this question and put everything back in order.

At the very beginning when news got around that the City of Montreal was to close down "Man and His World," I asked the Prime Minister (Mr. Trudeau) if he agreed or if he

could not consider the possibility of creating a tripartite commission to take over the administration of "Man and His World," to look and see if the exhibition could continue.

Mr. Speaker, the first answer was "no, we have no money". I did not give up and the Prime Minister finally answered that if the hon. member for Lotbinière agreed that no more aid be granted to his riding, that his constituents, those of Trois-Rivières, Bellechasse and all other constituencies receive no more aid, then perhaps government support for "Man and His World" could be considered.

When we ask him, for example, to provide assistance for any project, in Quebec, Ontario, Nova Scotia, or any other provinces, it is always the same problem, a matter of finance.

Here is another interesting example, Mr. Speaker. There is in the constituency of Lotbinière an industry called "Caravane Val Bar" and which is located on the outer limits of a designated area. It employs over one hundred employees and will employ close to two hundred in a year to a year and a half from now, depending on government assistance. And so I communicated with different government officials, because the ministers are usually out of reach. But the officials answered that it was impossible to provide any kind of assistance for this industry because the government had no money. The same industry applies to the Quebec government; the answer is the same: no money.

Mr. Speaker, whether it turns to the municipal, provincial or federal governments, the answer is always the same: no money. I ask you, Mr. Speaker, with what do we administer?

When we look at what was handed to us a few days ago about the financial administration of the various departments, we realize all the waste taking place in every department, and especially in Crown corporations. I will come back to that subject before concluding my remarks.

Mr. Speaker, there is too much waste in departments, compared with our investments in municipalities in all the provinces, to really promote regional development.

A new department is going to be established in the near future, the Department of Regional Economic Development. What an auspicious name! I have here an editorial that appeared in *La Presse* on February 19, 1969 and which is very interesting in this respect, because it shows how financial administration

[Mr. Fortin.]

under the present government as well as under previous governments is sheer nonsense, since nobody understands anything about it. It is certainly not with Bill C-172, which is definitely insufficient, that such a situation will be corrected.

I am quoting Mr. Roger Champoux, an editorialist of *La Presse* who, on February 19 last, wrote an article entitled: "Operation Rescue" regarding the setting up of this new department to encourage further investment with a view to promoting development of areas in Canada which are underprivileged economically, socially, etc. Here it is:

> For long we lived under the illusion that the country was so rich that its normal growth would never create serious problems. Well, we sing a different tune now!

And Mr. Champoux goes on to say:

> The question is not one of poverty only, but of large areas whose economy is at a standstill . . . and where social circumstances are shameful. A rich country and a precarious economy:

I for one would say an inadequate administration. Mr. Champoux adds:

> The situation is absurd. The new department will be concerned with "development". The word implies everything without stating the size of the problem to be dealt with, however.

Mr. Speaker, I recognize that we can expect great and excellent things from the setting-up of that new department. Nonetheless, Mr. Speaker, if one considers the present administration in other departments, there is absolutely no guarantee that the new one will be skillful enough to cope with the increasing needs of the Canadian population and of the depressed areas which are becoming more and more numerous in Canada.

Mr. Speaker, I said a while ago that I would conclude my remarks by touching upon the Crown corporations. That is a matter which we could discuss during a whole afternoon and which is also linked to the very obscure subject of financial administration. Very few hon. members venture on that ground, indeed, acquaint themselves with the financial administration of the Crown corporations, be they agencies or not, or mixed corporations.

Mr. Speaker, there is tremendous waste. I do not say that because we have a Liberal government; I have been saying it since Crown corporations have been created. The administration of these corporations is something to be ashamed of.

First of all, there is the question of the language used by their officials. These corporations are Anglo-Saxon reserves, without any exception. Hon. members who are aware of the questions I have been asking have been able to find out what discrimation there is among these Crown corporations against the French Canadian race and the French-speaking population, since, generally, the administration of Crown corporations belongs to English-speaking people. The same situation exists in the government departments.

I would like to speak about a second point dealing with the rendering of accounts, the subject now under consideration. I challenge here any hon. member to try to find out what is going on at the Polymer Corporation, for example. It would be of no avail. I challenge any hon. member to find out what is going on at the Eldorado Mining, for example, he will be unable to do so.

Mr. Speaker, I have been working in the Parliament building for 4 years. I have been secretary to the leader of the Ralliement Créditiste, the hon. member for Témiscamingue (Mr. Caouette), and now I am a private member but I have not yet succeeded in learning how those companies are administered. I know that legally, there is a difference between proprietary corporations, departmental corporations and agency corporations.

We are now told that the Post Office department will become a Crown corporation. This possibility is now under consideration. However, Mr. Speaker, hon. members should obtain the assurance that the same thing will not happen in the case of that future Crown Corporation because it would truly be disastrous.

Mr. Speaker, I think that this matter can give food for thought to all hon. members. I would like to encourage my colleagues from all parties to get acquainted with the financial administration of the various Crown corporations. Of course, many good things are being done at the administration level, but in general, Mr. Speaker, there is a stupid and arrogant attitude towards the Canadian people, who have the right to know how their money is spent and managed.

• (4:30 p.m.)

With regard to Crown corporations and departments in general, I would like to say that it is absolutely unacceptable that the financial administration be under the control of English-speaking people. I do not have statistics here and even if I had any, I would keep them to myself because I think that my colleagues can realize the situation and study it by themselves if they are interested in the administration of public affairs.

However, Mr. Speaker, as a Canadian and a French Canadian, I want to object as strongly as I can to the kind of administration that prevails in Crown agencies. To me, there is pure discrimination against my French Canadian fellow citizens.

When we consider the proportion of French Canadians who hold positions with salaries of $17,000 and over in each of the Crown corporations and in many departments in comparison with that of English-speaking Canadians, we see that French Canadians are drawers of water and will remain so for a long time still if hon. members do not wake up. I think the situation should change in 1969. I firmly hope that the next bill dealing with official languages will contain provisions in that regard.

However, I am still puzzled about a sound and fair sharing of responsibilities, at the administrative level, between French and English Canadians within crown corporations. As a typical and most scandalous example, may I mention that, of all federal agencies, the Dominion Bureau of Statistics is the most fanatically English, at the administrative level.

Mr. Speaker, this is only one example among many others, and I hope I can prove at the first opportunity that the Dominion Bureau of Statistics and the Supreme Court —both are very similar in this regard—are the two most anti-French institutions that exist. They would be more appropriate in England or elsewhere than in Canada. We are fed up with an administration that does not reflect a true image of Canada.

Mr. Speaker, in conclusion, I should like to comment briefly on the auditing of the books of crown corporations and government departments. Most of the former have their books audited by private firms, at a very high cost, while the work could be done by the Auditor General of Canada. In every one of his reports since 1966, he has offered to audit the books of departments and crown corporations. But he is only allowed to audit those of a few departments and of a few crown corporations, and prevented to do the rest.

Mr. Speaker, I should like to congratulate the group of workers and the civil servants

who are auditing books, as well as the Auditor General himself for the tremendous job they have accomplished. The Auditor General does not fear to report, to divulge the good as well as the bad practices of the administration. The government hires good Liberals to audit books, but they show only the good side of the story.

I conclude my remarks on that, hoping that they will not fall on deaf ears, or into oblivion, but in a soil rich in ideas, so that some changes will take place, specially within crown corporations.

Before concluding my remarks, Mr. Speaker, I would like once more to remind the house and the minister who sponsored this bill that we would be very disappointed if this move were aimed at depriving of members of their right to participate in the financial administration of the country and giving it to the establishment. Should the present situation persist, we could rightly call the House of Commons a national debating society and we would not be administering anything anymore. Then, perhaps the Prime Minister might reasonably say that money is not growing on trees. However, it is not the establishment which is going to tell us where money is growing.

Mr. Speaker, our constituencies have great needs to fill, especially the constituency of Lotbinière. I am happy to see the hon. member for Trois-Rivières (Mr. Mongrain) is here. I will remind him that Air Canada seriously considers abolishing its service at the Trois-Rivières airport. That will surely be prejudicial not only to his riding but also to mine, since we are neighbours, and to the whole central area of Quebec.

Mr. Speaker, that should show the hon. member for Trois-Rivières that members of parliament have no control at all over Crown corporations. He also should protest against the abolition by Air Canada of its service at the Trois-Rivières airport. That is just an example among many others we could give this whole afternoon and evening and throughout the day tomorrow. This shows how the administration of departments and of Crown corporations is increasingly taken away from parliament. In fact, hon. members have less and less influence and control over the financial administration I am even convinced that the cabinet also has less and less influence. It is a bit like in Quebec where a certain establishment is in control.

Mr. J. A. Mongrain (Trois-Rivières): Mr. Speaker, at last real legal minds have worded Bill C-172. They give us an explanation the layman can readily understand. This debate must take place in the right context, so I quote:

> His Excellency the Governor General has recommended to the House the present measure to amend the *Financial Administration Act* to provide for the further deletion from the accounts of certain obligations or debts to Her Majesty or of certain claims by Her Majesty; to provide for appropriation allotments; to authorize in certain circumstances the making of contracts or other arrangements when Parliament is not in session that involve current expenditures; to extend the range of certain payments to discharge certain debts; to authorize the Treasury Board to prescribe regulations governing the custody and control of public property; to provide for the assignment to persons for whose benefit a payment bond is held by Her Majesty in right of Canada or a Crown Corporation, of the rights of Her Majesty or the Corporation to recover under the bond; to provide for the abolition of the office of Comptroller of the Treasury, the transfer of duties, and, for other consequential and related purposes.

• (4:40 p.m.)

For once, it can be understood fairly well by the layman, which is seldom the case. Ordinarily, the legal practitioners manage to prepare documents which we cannot understand and which, quite often, they cannot understand themselves. We sometimes hear of learned lawyers arguing in court among themselves for days and weeks, and even judges in disagreement on legal texts.

Mr. Speaker, at the outset, I wish to apologize for the inconsistency of my remarks, but that can easily be explained. I want to follow, to a certain extent, the order of the arguments put forward so far. They could not, of course, be perfectly logical, since they came from three different sources, thus reflecting three different points of view.

First, I want to say that more than half the speech made by the member for Lotbinière (Mr. Fortin) was out of order. We did not want to tell him because we believe that such liberties can be taken in parliament. But, I should also be allowed to transgress the rules, in order to answer some of the member's arguments or to complement the information he asked for.

First, I must say that I agree with him on many points. Among other things, he said that the C.B.C. could perhaps discontinue its service in Trois-Rivières, and by the way, I was told about that possibility a few months ago, unofficially however, and for the obvious reason that the C.B.C. loses money every time it—not the C.B.C. I am sorry, but Air Canada. In fact, the C.B.C. is an obsession with me

these days, and that explains my slip of the tongue. Air Canada has always been losing money every time one of its aircraft lands in Trois-Rivières. But for his information, I say to the member for Lotbinière that we have been considering for the last few months the possibility of setting up a formula to replace Air Canada by something else, in case it should discontinue its service.

I am happy to inform the member for Lotbinière that we are dealing with this problem, which goes to show that quite often in this house, some opposition members blame government members for not dealing with their problems. But our working methods cannot be the same as the ones used by the official opposition. Its role is to blame the government for everything and anything at every opportunity, as ours is to accomplish concrete things and meet certain requirements. So we try to co-operate with ministers and their officials in order to get results. When such results are public, we are happy to announce them, because public interest is at stake.

As to Trois-Rivières, I should be glad to give some explanation to the member for Lotbinière, because since that city is a large center in the heart of Quebec, not only do I want all those services to be maintained but also to be extended and improved.

I think that with the plans under consideration, if Air Canada should discontinue its service, we would get an even better service than the existing one, since the only flights now are in the morning and at night.

Mr. Speaker, the criticisms made could be summed up as follows: the Leader of the Opposition (Mr. Stanfield) said that those are steps in the right direction, but they are long overdue. As to the member for Winnipeg North Centre (Mr. Knowles), he feared that parliament might lose some of its control over public funds. The hon. member for Lotbinière said the same thing, while giving me the impression at times of contradicting himself, because be said, at one point: I realize it is a heavy burden for a comptroller of the Treasury or a minister, and that duties must be distributed, yet parliament should not be discharged of its responsibilities, and he added: members should even retain some administrative control. It might be better to agree on the term "administrative control", because if 265 members take it upon themselves to administer the country, we shall be able to quote the old saying: "Too many cooks spoil the broth".

To my mind, control of the taxpayers money is divided so that the whole question will no longer depend solely on the Comptroller of the Treasury who, of necessity, cannot be a specialist in 26 or 28 different fields; it will not be the responsibility of the deputy minister, who knows what goes on in the department and manages it in close co-operation with his minister who in turn is answerable to parliament. In this way, better control of the taxpayers' money is assured because, in the final analysis, the deputy minister will only have the power to act within the limits of the credits we will have voted.

As for the expenditures he will eventually have authorized, they will be studied by the house when financial statements are studied. The government therefore controls the public funds.

Mr. Speaker, to my mind, all hon. members are of good-will and recognize that the new system of parliamentary committees gives us a far more adequate control than we ever had over public funds, since the estimates are studied in sections in the committees assigned to analyse them, where we can examine all the votes with the help of high officials.

We can question them and ask them for the whys and wherefores of various situations. I should like to give an example to show precisely how efficient this control is.

The committee of which I am a member spent part of the day yesterday with high officials of a Crown corporation. We discovered by talking with them that there was a vote of $5 million which will not be needed this year. We will therefore recommend to parliament that this vote be cancelled in the estimates; that is one type of control hon. members can exercise.

This could also occur in other cases. I can give more details on this particular instance, Mr. Speaker. This year the Canadian Overseas Telecommunication Company applied to the government for a $5 million loan for an investment on which I shall not dwell because it would be too long. Now that the officials of the Company have brought in their estimates, they have discovered that their profits for last year were such that they could now get along on their own. We are therefore going to cancel this item from the proposed estimates. Im my opinion, Mr. Speaker, any fear about parliament being deprived of its control over public funds is sheer nonsense a fanciful delusion. On the contrary, with the present system of parliamentary committees to scrutinize the estimates, I believe hon.

members will have more control than ever over public funds.

I sincerely believe that this bill is a step in the right direction. You will, of course, object and say that it is not perfect. The federal government is a very large plant, a huge machinery, so big, in fact, that I cannot understand how the hon. member for Lotbinière can think a member could even try to control every thing that goes on in the government. I would rather see a member specializing in his field, sitting on certain committees and trying to scrutinize and pass through a sieve all the government expenditures.

The hon. member for Lotbinière made earlier a remark which was out of order but which I feel I should answer. I share his view, to a certain extent, but I do not agree with the way he puts the problem and finds answers such as when he refers to the scandal of the lack of high-ranking French-speaking public servants.

I am, like him, one of those who deplore the fact that there are not more French-speaking people in higher positions, in the top salary brackets. But I also feel that we will not solve this problem by blaming the government for it, and that is where I disagree with him. I believe it is a problem we can solve by trying to convince the qualified people at home—when I say at home, I mean the province of Quebec—to accept to serve here, which will be something rather new in the civil service, since for more than 100 years—and I know what I am talking about because I have tried myself for many years to get some efficient people to work for the federal government, some objections were justified.

I am not saying, however, that the hon. member for Lotbinière is wrong in emphasizing, for instance, that there may be conflicts of personality. There are certainly, in some departments, senior English speaking officials who assist in the promotion of their English speaking friends; that is sure. But that is a human problem that will also crop up when there will be senior French speaking officers. That is a truly human phenomenon, and I agree with the hon. member that it should not exist and that we should take steps to cope with such a situation. I will even go further. I am positive that in the public service, which was created specifically to prevent favouritism, many cases of patronage arise at the officers' level, since those officers are not responsible to the administration.

[Mr. Mongrain.]

As for those French-speaking people who would not hold these senior posts or who would not get big salaries, the best way, I think, to correct this situation is, first, to admit that there has been progress, instead of merely crying shame, which is incredible. For example, a few years ago, nobody would have thought that the commander in chief of the Canadian armed forces could be a French Canadian. That was unheard of. Now, this is indeed a fact. We also have ministers who hold important portfolios as well as deputy ministers whose duties are far from being unimportant. Within the C.B.C. and Air Canada, French Canadians hold important administrative posts.

I understand that there are still some companies that are exceptions. A possible explanation might be the fact that in Quebec, it has not been very long since people began specializing in higher technical fields. We were told, during a whole century, that our calling was an agricultural one. Our seminaries used to train priests, notaries and lawyers, rather than economists, sociologists, engineers and specialists in all fields. For about fifteen years now, thank God, many people have been willing to get into the public service because they realize that employment in the public service pays more than ever. They realize that, today, they get quite a welcome, whereas 25 years ago—I agree on this point with the hon. member for Lotbinière—that was not the case probably. So, there is more proficiency and promotion is granted normally. Besides, I do not believe that it should be granted on the basis of language only; but rather on the basis of proficiency. Therefore, let us encourage our people in Quebec that are proficient to enter the public service so that they can show their abilities. And if they are victims of discrimination at the level of their immediate superiors, such cases can be discussed with the ministers concerned.

• (4:50 p.m.)

For example, I could tell the hon. member for Lotbinière that at the Dominion Bureau of Statistics, which he mentioned earlier, I was personally aware of cases of discrimination. I did not believe that the best solution was to bring the problem before the house. So, I went to see the minister concerned and gave him evidence of what had come to my attention. He summoned all the interested parties, and I feel that the problem will be solved shortly. If I had brought the case to the attention of the house,

there would have been a tendency to generalize, even though the case was an isolated one. In such cases, I feel that this government, as well as its predecessors, have always tried to do what was best.

Mr. Speaker, I think that this bill is a step forward, even though some people say that it is overdue, that is it is not perfect yet, and objections are raised against the redistribution of the controlling powers at the deputy minister's level. I think that such a decentralization is necessary since it enables parliament to retain its control, and since we consider estimates in parliamentary committees.

I would agree with the hon. member for Lotbinière with regard to Crown corporations, Mr. Speaker, since, it seems to me the government does not have enough control over them. The hon. member for Lotbinière referred to Polymer and other corporations, including Eldorado. As for me, I am obsessed by the C.B.C. these days and that is why I would like a reform of the whole system so that ministers responsible for those Crown corporations can exert a better control over the expenditure of money.

I do not wish to be unreasonable or unfair in my expressions but it is a fact, I think, that some Crown corporations administer public funds in such a free and easy manner that it is almost scandalous.

For instance, I do not understand how the C.B.C., after showing a deficit of $165 million, can dare to ask us an additional amount of $14,500,000, when in this year 1969 of austerity, the government has levied an extra tax of 2 per cent, has cut off the winter work program and has cut investments nearly everywhere.

Mr. Speaker, I think it is unbelievable. The minister should be able to say: "Gentlemen, tighten your belt like everybody else." I am not only referring to salaries. I can understand that salaries must follow the rising curve of the cost of life, but I am referring to some expenditures which seem extravagant to us unless they can be justified.

To illustrate what I have in mind, I say that when the Canadian Broadcasting Corporation sends in South America, Africa or in Central America a team of 10, 12, 15 or 25 producers accompanied by their wifes or mistresses, at the expense of the taxpayers, this constitutes an extravagance. I feel the Corporation should produce less exotic programs and resort to less costly items. Let us tighten our belts a little, so that it will not always be the turn of the same people to do so.

In the recreational field, if we can call it that while referring to the C.B.C., we might reduce expenditures. That might be one of the weaknesses on which I would agree with the hon. member for Lotbinière, in other words, the responsible ministers should have more control on the moneys granted to the Crown corporations, on their investments and also on the way they spend such funds.

As I said, there are areas where everything runs smoothly. A while ago, I mentioned the Canadian Overseas Telecommunication Corporation. Since its inception, that company has never been in the red. Never. It showed a surplus almost constantly. That corporation could be quoted as an example.

I shall mention the exact reverse, the case of the Canadian Broadcasting Corporation. Mr. Speaker, I cannot believe that we can be justified for making up the $165 million deficit of that Crown corporation and for paying $14,500,000 more this year, while it is a well-known fact—reported by everyone—that the corporation indulges in foolish expenses. That Corporation should tighten its belt just like everybody else.

I fail to understand it for another reason. Some television and radio networks operate at a profit. Not only are they not asking the government for $175 or $200 million to finance their foolish expenses but they make money.

This may be one of the recommendations I should like to put into the official record of the house now that we are dealing with Bill C-172. It could be taken up in committee and attempts could be made to find a solution that might enable the minister, parliament let us say, to "tighten" a little more, so to speak, the expenses of the Crown companies.

As for the rest, Mr. Speaker, I have confidence in this new system under which deputy ministers will control the expenses of their department within the limits of the estimates passed by parliament, provided that their expenditures are approved by parliament when the financial statement is brought in.

As for the allegation according to which the government is asking to be authorized to spend funds which have not yet been approved by parliament, it should be kept in mind that it is not utterly impossible to imagine situations where this could happen. For example, let us suppose that a government is suddenly defeated and that the estimates have not been passed. Should the administration of the country come to a stop? Would all civil servants be left unpaid until after the

election and the opening of parliament? There can be such extreme cases, but nevertheless the public administration must be carried on.

I think that the new standing orders—this is where I do not entirely agree with the hon. member for Winnipeg North Centre—will better ensure that the budget will be passed within the allotted time, so that those exceptional cases will become fewer and fewer.

Such cases should nonetheless be foreseen because it is inconceivable that the public administration should be paralysed.

Therefore, Mr. Speaker, having read the bill—and I repeat it is drafted in a way that laymen can understand—I say it is a step forward and that we should adopt it. Besides, I believe that the criticisms of the opposition were not fundamental but related rather to details and it must be admitted that they were quite constructive. It is sometimes comforting to realize that in spite of differences of opinions, there can be a positive attitude as was the case this afternoon.

[*English*]

Mr. G. W. Baldwin (Peace River): I intend to be very brief, Mr. Speaker, in the hope that this bill may be passed and sent to the committee. I listened with interest to what the minister had to say. I noted particularly his observations with regard to the Glassco Commission recommendations and I was quite surprised, because it is not a subject of pride on the part of this government. There lies halfway between Banff and Jasper the Columbia ice field which moves at the rate of a few feet every 100 years.

• (5:00 p.m.)

Mr. Knowles (Winnipeg North Centre): That is fast.

Mr. Baldwin: I was going to say, in comparison with the celerity with which this government introduces sections of the Glassco commission report, the Columbia ice field can be likened to a space vehicle heading toward the moon.

My leader had something to say about the Auditor General and his staff. I concur in what he said. I hope the minister will pay some attention to this subject. He is looking very studious and he nods his head every once in a while as if to indicate agreement. I am sure that what will happen when he leaves here is that he will say to himself: "Thank God that's over". All the sound and salutary proposals that have been made on this side of the house will then be put into the ash can until the next time the Financial Administration Act comes up for discussion.

I want to refer to some statements made by the hon. member for Winnipeg North Centre (Mr. Knowles). I support his views regarding government control. There is no doubt that we are slowly—though sometimes more rapidly—putting ourselves in the position where parliament is losing the sort of control that it should have over the financing of government expenditures. The hon. member for Winnipeg North Centre referred to one aspect of this and I want to refer to another, the question of Governor General's warrants which comes up perennially in this house, in the reports of the Auditor General, and which is discussed in the public accounts committee.

As the hon. member for Winnipeg North Centre pointed out today, as a result of the recommendations of the procedure committee there now exists, within some limitation, a measure of certainty as to the extent to which and the time in which parliament votes money to the government. The total amount of the estimates must be passed by a definite date in June of each year. This means there is no longer any need for a government or for a Prime Minister—because it is the Prime Minister who exercises the right—to call snap elections without first securing from parliament the funds required to carry on the business of the country during the interval.

There is a reasonable amount of discretion still left to the Prime Minister. I forget how many hundred millions of dollars were made available through Governor General's warrants as a result of the election called by the Prime Minister (Mr. Trudeau) in June last year, but under the conditions that exist today I suggest it is completely improper for the Prime Minister to retain this right. He and the government have every opportunity to come to parliament and secure interim supply by a definite date. That interim supply then carries the government through until the estimates are finally adopted. I suggest it would be an affront, both to this house and to future parliaments, if what was done in 1965 and again in 1968 were repeated. It was improper, and I hope the government will bear what I have said in mind.

I want also to deal with the relationship between the Auditor General and the public accounts committee of this house. The Auditor General has seen fit to refer to the fact that a very substantial number of the recommendations that he made, and which were discussed by the public accounts committee,

became the subject of proposals put forward by the public accounts committee. But what happens to such proposals? They are tabled with the report of the committee and are forgotten until the Auditor General, in the schedules attached to his next report to parliament, indicates that 55, or 60, or 65 recommendations that were made by the public accounts committee have been gathering dust.

That is not the way it should be. Australia, our sister country in our great Commonwealth, has a much more practical and useful way of dealing with this matter. A booklet is published periodically during the year containing the recommendations of the public accounts committee, side by side with a statement on what the government departments are doing about them.

Let me say at once, having discussed the matter with Mr. Speaker of the Australian house of representatives who was here last summer and with members of the Australian house of representatives, that it is clear governments do not dare delay either implementing or reporting on the steps they have taken with regard to proposals made by the public accounts committee.

In Australia this committee is a very useful one, composed of members of both houses. They hold regular meetings in public, and minutes are published in the same way as they are in Canada. Officials of the departments involved are most eager and very vigilant to ensure that they pay attention to what has been recommended by the committee. That does not mean that the government has to accept all the recommendations. The government could have a valid reason, which may not be made known at the time, for not implementing certain recommendations of the public accounts committee. However, there is no excuse for the government failing to give its reasons for not complying with what has been proposed.

I do not know whether we will be able to introduce this suggestion into the recommendations of the Committee on Procedure and Organization, but I would hope that from now on, when the public accounts committee does make recommendations that are contained in a report, such report is made the subject of debate in this house. I am not going to suggest there be a long, tedious debate; but if 10, 15, 20 or 25 recommendations are made by the public accounts committee, then, having in mind the speed and celerity with which this house now deals with matters of government business, and with all due regard to members of the opposition discharging their responsibilities, there is no reason at all that time should not be set aside for such debate. Then, if the government indicates it cannot accept certain proposals, let it be prepared to come into the house to defend its stand.

We have had an opportunity lately of reading in the press—I can only refer to the press; I am not allowed at this stage to refer to the transcript of evidence in the public accounts committee because its report has not yet been made—about some very unusual experiences in the Department of National Defence regarding the *Bonaventure* and other vessels. These press reports make shocking and astounding news to the people of this country who have been listening to the government preaching its intention to try to keep expenditures under control. When we hear what has happened to the *Bonaventure* and learn of the fate of other vessels in the Canadian armed forces, then I think it is about time some attention was paid to the question of avoiding this sort of thing.

I am no longer a member of the public accounts committee. I did have the very great honour of serving as chairman of that committee. It is a very good committee. I think there is a degree of non-partisanship there that ranks as high as that of any other committee of the house. At least, that was the cast at that time. When that committee makes, as it usually does, unanimous recommendations, it is not fit or proper to ignore them. Those recommendations should come before this house and be the subject of debate. The government should have an opportunity to defend its position. If it has no valid reason for not implementing certain proposals at that time, let an appropriate minister of the government say so. The point is that the people of this country are becoming increasingly conscious of the mounting tide of taxation.

• (5:10 p.m.)

Although there are many fixed or statutory charges that cannot be varied or dealt with, there are other expenditures which are flexible. On those expenditures, the government could listen to the recommendations of the Auditor General and the Public Accounts Committee. Cases involving extravagance, stupidity and the mediocre uses by civil servants of moneys provided by the people of the country could be investigated. It is the

duty of the Public Accounts Committee to insist that these matters are debated; there is a corresponding duty on the part of the government to debate them and to justify positions where charges of extravagance or stupidity have arisen.

I am using the debate on this bill as the vehicle for my plea. I hope the government will listen to it and that its attention will be reflected when next the report of the Public Accounts Committee is presented here.

Mr. Mongrain: Will the hon. member permit a question? A few minutes ago the hon. member said he objected to having the country administered on certain occasions through the use of Governor General's warrants. I should like to know what ought to be done in the case of a minority government, for instance, that has been defeated and must go to the people. How would such a government obtain money with which to carry on the administration of the nation?

Mr. Baldwin: I wonder if the hon. member's question indicates that the hon. member for York East (Mr. Otto) may soon be joined by other members of his party and that the government may face the risk of defeat?

An hon. Member: Don't worry about that.

Mr. Baldwin: The change in the rules will take care of the situation. Now there may be only one motion for interim supply and estimates must be passed by the end of June. The power of the Prime Minister is very great. If the government is defeated that defeat should carry with it the right, if the estimates have not been quite completed, of allowing the Prime Minister to secure from the house any money that is necessary to tide the country over until after the election. Although the Prime Minister's power has become very great, I do not think we should take this power away from him. Nevertheless, we should weaken his grasp on this tool and see to it that there is no repetition of the bad practices of the past.

Mr. Ross Whicher (Bruce): Mr. Speaker, I shall be reasonably brief. I have always been interested in the subject matter of this bill, the controlling and spending of government money. All governments of Canada including the federal government ought to be brought to task for overspending and for not examining expenditures closely enough. If this bill will allow the government and members of the House of Commons to scrutinize more closely government spending, I say it is a good bill.

Since the war, all across Canada we have been spending money as if it were going completely out of style. Even though I sit on the government side of the house, my remarks apply to the present government. We are caught in a box because governments have not adequately scrutinized expenditures in the past. I do not know as much about federal expenditures as about expenditures made in the province of Ontario, so perhaps hon. members will excuse me if I talk about expenditures made by that province. In 1939, the year the war started, Ontario spent a total of $90 million on highways, education, welfare, lands and forestry and all those other matters provinces look after in Canada. Expenditures in 1969 will be much greater.

May I point out that 30 years after the beginning of world war II, the interest on the debt carried by the province of Ontario is greater than the total expenditure of that province on all departments in 1939. I have cited 1939 because we all remember vividly the year the war started.

You can walk the streets of Ottawa or go around the corridors of parliament and talk to hon. members and hear them say, "When is this spending going to stop; how long can it go on?" You see, Mr. Speaker, we are not competing with ourselves, but with the rest of the world. Even though the United States spends $30 billion a year on the war in Viet Nam, that expenditure being about two and a half times what our government in Ottawa spent annually, taxes down there are lower than they are in Canada. The money that is spent on the war is wasted; you might as well throw it into Lake Huron or Lake Ontario. So, I suggest that our financial men in Toronto, Ottawa, Vancouver or Quebec City will have to sit down together and try to solve our financial problems because we are overspending ourselves.

We can only do so much and we can only go so far with our resources. We have a limited number of people and we are trying to keep up with our great neighbour to the south who, has a population ten times the size of ours and a gross national product 14 times the size of ours. And what does that prove, Mr. Speaker? My hon. friends here can talk about all the gold, wheat, pulp and paper and industry they want to talk about. But they will have missed the point if they do not realize that people create wealth. For the past 100 years in Canada, governments have not

done a good job of attracting people. I suggest that if the government were serious about solving our financial crisis it would instigate an immigration policy which would open up this country and allow many more people to come in.

Mr. Badanai: Hear, hear.

Mr. Whicher: We should become more like the United States and admit people from all parts of the world. It is our people who will create wealth and help to solve our financial difficulties. The present situation is not the government's fault and I do not criticize the minister who has brought forward this bill. He is doing the best he can to make sure this house controls government expenditures.

• (5:20 p.m.)

I appreciate what hon. members have said about the necessity of having the Auditor General and his staff audit the books of Crown corporations. The Auditor General is the servant of the House of Commons. By the same token, the C.B.C. Canadian National Railways and Air Canada should also be subservient to the house. The books of those Crown corporations ought to be audited by our servant, the Auditor General, and not by some large firm in Toronto, Montreal or Vancouver. They should be accountable to this house through some minister. We should be able to look over their estimates. When they are not accountable as various government departments are, they have a tendency to go away out in left field so far as expenditures are concerned. Too much money is being spent without enough thought being given. In comparison to our neighbours to the south, we are taxing ourselves right out of business. I say to the minister, all hon. members of this house and particularly members of my own party, the people of Canada last June 25 voted for a breath of fresh air. The people wanted a complete and absolute reorganization, not only of our taxing system but the spending of public money in Canada. This is our duty to the people of Canada.

Mr. Thomas M. Bell (Saint John-Lancaster): I understand there is some desire to hurry along, Mr. Speaker, but I would ask the minister when he replies to take a moment to deal specifically with the matter of the *Bonaventure* and the new tendering system which was introduced. The minister, acting in another capacity, announced in this house with a great deal of pride and satisfaction that he was introducing a new method of tendering which would save the country thousands and even millions of dollars on the *Bonaventure*. We all know the fiasco which resulted and I do not expect the minister to go into the details which are being considered in the other place. I think the minister should tell us what went wrong with his plan to take the *Bonaventure* from the allocated yards in the maritimes to the St. Lawrence which resulted in the loss of millions of dollars.

I would like to know also whether these amendments will ensure that a crazy minister will not get the opportunity to do this again.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Mr. Bell: Surely, the minister has been challenged with regard to the *Bonaventure*. Would this not be an opportunity for the minister to simply say that he did not mean to do this?

The Acting Speaker (Mr. Béchard): I must advise the house if the minister speaks now he will close the debate.

Mr. Drury: I had not proposed to make a concluding statement, Mr. Speaker, in view of the fact that, with one exception the suggestions put forward during the course of this debate will be discussed in the committee at that time, there will be an opportunity to examine these suggestions in greater detail. I must, however, make reference to the remarks of the hon. member for Saint John-Lancaster (Mr. Bell). The hon. member seems to be confused as to what this debate is about, as well as in his understanding of the proceedings of the Committee on Public Accounts. The hon. member has challenged me to deny that a crazy minister has ill performed his job. I accept that challenge and deny this. I would exhort him to inquire into the proceedings of the Public Accounts Committee and follow them a little more closely. He will discover that the repairs to the *Bonaventure* were initiated prior to the introduction of the bidding processes in relation to so-called unsings, I will not be more technical than that. I look forward to further examination of this bill in committee.

I move, seconded by Mr. Davis, that the house be now adjourned.

Mr. Knowles (Winnipeg North Centre): The bill should be passed first.

The Acting Speaker (Mr. Béchard): We must dispose of the bill before this motion. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is six o'clock.

The Acting Speaker (Mr. Béchard): It has been moved by Mr. Drury and seconded by Mr. Davis that this house now adjourn. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, and the house adjourned at 5.27 p.m.

HOUSE OF COMMONS

Thursday, February 27, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Third report of the Standing Committee on Miscellaneous Estimates, in French and English—Mr. Fernand-E. Leblanc (Laurier).

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

ORAL QUESTION PERIOD

GRAIN

ASSISTANCE TO MINIMIZE LOSS FROM SPOILAGE—FINANCING TERMS ON AGREEMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce asking him whether, in view of the imminent danger of wheat still held on farms spoiling during the warmer months that are now approaching, the minister could tell the house if the government is formulating any plans for the assistance particularly of those parts of western Canada that will encounter especially severe problems in this regard.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Minister of Agriculture usually answers this type of question, while I am mostly involved in questions of wheat transportation and marketing. With the consent of the hon. member we might wait until the minister comes in and let him answer that question.

Mr. G. W. Baldwin (Peace River): I have a supplementary question for the minister to pass on to the Minister of Agriculture. Would the minister urge the Wheat Board and the transportation agencies to pay particular attention to the situation in northern Alberta and in the Peace River country where, as a result of difficult weather conditions not only last fall but the year before, many farmers are in desperate circumstances.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the fact that it has come to our attention that many of our competitors in the wheat markets of the world are now making long term agreements with their importing nations for the duration of 20 years at interest rates which are as low as 3 per cent, is the federal government contemplating the adoption of a similar policy with regard to our surplus wheat stocks?

Mr. Pepin: I announced five weeks to two months ago that these facilities existed for the developing countries that are in need of better financing terms to buy Canadian wheat. They were approved by the cabinet and we are now making efforts to find a number of countries which could be classified in that group and would use these facilities.

REQUEST FOR FINAL PAYMENT

Mr. Craig Stewart (Marquette): I have a supplementary question, Mr. Speaker. Can the minister advise the house when farmers can expect their final wheat payment cheques for last year?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have said that they would be received by the first week of April.

AVAILABILITY OF BOX CARS

Mr. Les Benjamin (Regina-Lake Centre): Can the minister tell the house whether, in the course of his personal supervision of the railways in their allocation of box cars he has also requested the companies to pay attention to the distribution of cars among shipping points that have not yet delivered the units or the one or two bushel quotas. Do they get priority, to the exclusion of points that have completed delivery of three and four bushel quotas?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): This was indeed brought to the attention of the railways at the last meeting in Winnipeg a few days ago.

Inquiries of the Ministry

INCREASED SHIPMENTS THROUGH WEST COAST PORTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): May I be allowed to say something cheerful, Mr. Speaker?

Mr. Speaker: This may be out of order, but perhaps I should hear the minister.

Mr. Pepin: I have been sitting here, Mr. Speaker, hoping that somebody would do me the privilege of asking me whether transportation to the west coast is improving. It is. On the first occasion I attended the Transportation Committee in Vancouver on February 5 there were 22 ships waiting. Now there are only nine.

Mr. Hees: They got tired of waiting and went home.

Mr. Pepin: No, except for the two I have already acknowledged left in early February—

Mr. Speaker: Order, please. I realize the minister is anxious to give pleasant news but perhaps he should wait until the opportunity has arisen. If a question were asked—

Right Hon. J. G. Diefenbaker (Prince Albert): The minister says things are improving as far as the box car situation is concerned. Mention was made of the Peace River area. I have from time to time drawn attention to the situation in northern Saskatchewan. Can the minister say whether he has made clear to the C.P.R. the fact that northern Saskatchewan is being discriminated against in this area served by the C.P.R. and that action should be taken in this regard?

Has the minister brought this situation to the attention of the railroad and pointed out the serious position in which farmers find themselves because they are unable to market any grain in certain areas of Saskatchewan?

Mr. Pepin: I believe I have already answered that question, Mr. Speaker. I was trying to look at this from the western point of view rather than from a local point of view, which I recognize is important too. I just wanted to say that the rate of unloading has been improving throughout the month—

Mr. Speaker: Order. I wonder if we should not go onto another subject?

Some hon. Members: No.

Mr. Speaker: Is the right hon. gentleman rising to ask a supplementary question?

[Mr. Pepin.]

Mr. Diefenbaker: I am happy to see the minister so anxious to give his story about something else, but I ask him what he is doing about the situation in northern Saskatchewan except to issue statements full of hope and optimism.

Mr. Grant Deachman (Vancouver Quadra): Can the Minister of Trade and Commerce indicate to us whether there has been an improvement in the grain situation?

Some hon. Members: Oh, oh.

Mr. Les Benjamin (Regina-Lake Centre): On a point of order, Mr. Speaker. Would it not be more appropriate for the house to give consent to revert to motions, at which point the minister could make a statement?

Mr. Stanley Knowles (Winnipeg North Centre): I have a question for the Minister of National Health and Welfare, Mr. Speaker.

Mr. Deachman: On a point of order, Mr. Speaker, I was interrupted by the hon. member just as I was putting a question to the minister. My question has not been answered. May I have a reply to my simple question, as to whether or not there has been any improvement in the rate of grain shipments from the Port of Vancouver?

Mr. Pepin: I shall be brief, Mr. Speaker, and give two figures only with reference to grain unloadings on the west coast. In the first week of February the railways were unloading between 300 and 350 box cars a day. In the second week the number rose to 400 to 450. In the following week the average was 550, and this week, for three days, we have an average of 625 box cars unloaded on the west coast.

Some hon. Members: Hear, hear.

Mr. Speaker: I call the attention of hon. members to the fact that if we spend too much time on the first one or two questions, some of our colleagues who do not sit in the first or second rows will be most unhappy because they have not had an opportunity to ask their questions. I would ask the co-operation of all hon. members in the hope that we can move on to the next subject.

PENSIONS

CONSIDERATION OF UNIVERSAL PRINCIPLE OF ESCALATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the

Minister of National Health and Welfare and it is supplementary to a question and answer of last November 19. Can the minister say what progress is being made by the review committee which is studying our welfare and pension programs? Can he say whether attention is being given to the possibility of increasing the old age security pension in proportion to the increases in wages and salaries?

Hon. John C. Munro (Minister of National Health and Welfare): As I indicated, Mr. Speaker, all of the income maintenance programs and social welfare programs are being reviewed in this study. No firm conclusions have been arrived at, so it is impossible to say whether any conclusions will relate to an increase in old age security or to some other solution that may be adopted.

Mr. Knowles (Winnipeg North Centre): A supplementary question. Can the minister say when we might expect to learn the results of that review?

Mr. Munro: I hope in due course, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

[*Translation*]

EXTERNAL AFFAIRS

MAINLAND CHINA—INQUIRY WITH RESPECT TO RECOGNITION

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Would the minister tell this house whether any steps have been taken to break off diplomatic relations with Nationalist China and to establish such relations with continental China?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as both the hon. member and the house know, we are now engaged in discussions with the Peking authorities. This is bound to affect our relations with the nationalist government of China, but in what way the future alone can tell.

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. Would the Secretary of State for External Affairs say whether in this connection, prior to the discussions which are now going on, any action was taken or whether a special emissary was sent to contact Peking authorities, over and above the recent contacts, with regard to our establishing relations with Red China?

Mr. Sharp: No, Mr. Speaker.

Mr. MacLean: A further supplementary question which perhaps I should address to the Prime Minister. Would the Prime Minister say whether at any time during the past several months he has used the good offices or services of Professor T. K. Lin of McGill University to discuss this matter with the government at Peking?

Mr. Speaker: Order, please. It is difficult for the Chair to determine whether discussions had with one particular individual involve a question of urgency. If there is urgency, which is not apparent to the Chair, then the question might be answered by the Prime Minister.

Mr. MacLean: Mr. Speaker, this is a very urgent question. At the present time, as the Secretary of State for External Affairs has said, this matter concerns both governments, and negotiations are underway. We feel we should understand the background against which they are taking place.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, having carefully considered the question and the urgency, the answer is no.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. Would the minister of external affairs let the house and the country know the identity of these negotiators for Canada? Who are the people who are negotiating?

Mr. Sharp: At the present time, Mr. Speaker, the contacts are being made through the Canadian ambassador in Stockholm, who I think is a very respectable gentleman.

VETERANS AFFAIRS

REQUEST TO REFER REPORT OF WOODS COMMITTEE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Veterans Affairs of which I have given him notice. Would the minister advise when the Woods committee report will be referred to the Standing Committee on Veterans Affairs?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, as I answered before, the government is now preparing a white paper and both the white paper and the Woods committee report will be referred to the committee later this session.

Inquiries of the Ministry

TELEVISION

QUEBEC—REPRESENTATIONS RESPECTING EDUCATIONAL BROADCASTING

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I address a question to the Secretary of State. Has the federal government refused a broadcasting licence to Radio-Quebec? If so, for what reason? Before the Secretary of State answers, Mr. Speaker, may I ask him to take it easy so that the people translating, in the confessionals, can keep up with him. He talks a little fast and we cannot always understand the translation.

Mr. Speaker: Perhaps if the minister were allowed to answer the question in writing it might be easier.

Mr. Paproski: A supplementary question, Mr. Speaker. Is the government presently having talks with provincial authorities on the question of the sharing of jurisdiction over educational television? If so, when will the minister announce a policy on this matter?

Mr. Speaker: The hon. member for Hillsborough.

An hon. Member: Let the minister answer, Mr. Speaker.

Mr. Speaker: Order, please. It seems that not only the people in the confessionals are having difficulty in hearing the question. The minister did not seem to hear it.

Mr. Paproski: May I repeat it, Mr. Speaker. May I ask the Secretary of State whether the government is presently having talks with provincial authorities on the question of the sharing of jurisdiction over educational television. When will the minister announce this policy on this matter—s'il vous plaît.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, with respect to the first question, I believe you asked the hon. member to put it on the order paper, at least that is what I understood.

As for the second question, I must say that talks are going on with many provinces about the construction of transmitters for educational television but those talks do not have any bearing on the division of constitutional responsibilities in this field.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a supplementary question to the minister about the granting of a T.V. licence to Radio-Quebec. Will the decision be taken by the Canadian Radio-Television Commission or by the cabinet?

Mr. Pelletier: Mr. Speaker, broadcasting licences are granted by the C.R.T.C. It follows the policy which has been that of all Canadian governments since 1932, and that is not to grant licences to provinces or their agents. Formal instructions are now being drafted and will be communicated to the C.R.T.C. in a few weeks.

On the other hand, I wonder what prompted the hon. member's question. To my knowledge, and although I have been away no application for a licence was submitted to the C.R.T.C., but perhaps it escaped me.

Mr. Asselin: Mr. Speaker, I have another supplementary question.

How can the minister give such an answer when a licence has been granted to Station CKUA in Alberta?

Mr. Speaker: Order. This is an argumentative question.

Mr. Asselin: I rise on a point of order, Mr. Speaker.

The minister just said that he has not received any application for a licence from Radio-Québec and that, if he received one, it would be through the normal channels. However, the Canadian Radio-Television Commission has already granted a permit to Station CKUA, in Alberta, which is precisely a commission acting as an agent of the government of Alberta. I would like to know what direction the minister will give to his policy.

Mr. Speaker: It is obvious that the matter raised by the hon. member is argumentative and, for that reason, I do not think his supplementary question is in order.

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

In answer to the first question put to him on the matter, he mentioned agreements with various provinces, without naming them, however. Would he do it now, and tell us as well if an agreement has been concluded with the province of Quebec on that matter?

Mr. Pelletier: Mr. Speaker, I did not speak of agreements, but rather of talks, contacts and discussions. Now the study group who is specifically charged with the setting-up of educational television, that is with the installation of transmitters, has met with high

officials of many provinces, some being from the province of Quebec.

I do not have with me a report of those talks, and even if I did have one, I am not at all sure that it would be appropriate to reveal its contents before the study group has finished its own report.

[*English*]

ESTABLISHMENT OF STATIONS IN SASKATCHEWAN

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Secretary of State. Can he inform the house of any progress in establishing certain television stations in Saskatchewan?

Mr. Speaker: Order, please. The hon. member is asking for a statement of a very general nature which should be given by the minister on motions.

POST OFFICE DEPARTMENT

MONTREAL—THEFT OF MAIL BAGS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to a minister whose words never outrun his thoughts, the Postmaster General. Has he anything to report on the investigation into yesterday's theft of mail bags in Montreal. Also, is he taking steps to protect valuable consignments on passage through the mail?

Hon. Eric W. Kierans (Postmaster General): Yes, Mr. Speaker. I can report that an investigation is being conducted by three different forces, postal investigators, the Montreal police and the provincial police. May I say that the amount in question was exaggerated. Although it is a very large amount it is, according to our best information, somewhat less than $200,000.

REFUNDS ON BOX RENTALS

Mr. Mac T. McCutcheon (Lambton-Kent): A supplementary question, Mr. Speaker. Can the Postmaster General announce any plans to refund extra payments made by the holders of many post office boxes in cases where those box holders have responded to post office demands this year for extra payment—in other words, where double payments have been made.

Hon. Eric W. Kierans (Postmaster General): Yes, Mr. Speaker. Orders have already gone out to the effect that increased amounts of money demanded of people who had signed contracts prior to the announcement of increased rates are to be refunded. In other words, where we have asked those people to absorb increases after their original contracts were signed, we shall refund the extra money asked of them.

LABOUR RELATIONS

REQUEST FOR REPORT OF WOODS COMMITTEE

Mr. J. Edward Broadbent (Oshawa-Whitby): May I direct my question to the Minister of Labour, Mr. Speaker. Is he now prepared to say when we may expect the tabling of the Woods report on industrial relations in French and English?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I cannot announce that, but I can tell the hon. gentleman that the problem with the French translation has been overcome. When and if the Prime Minister decides to table the Woods report we shall make a statement as to how we will proceed with it.

Mr. Broadbent: May I direct a supplementary question to the Prime Minister, Mr. Speaker. Is he prepared to say at this time when the government intends to table the report?

Right Hon. P. E. Trudeau (Prime Minister): Not at this time, Mr. Speaker.

TRADE

GUYANA—SHIPMENTS OF BAUXITE TO CANADA

Mr. W. B. Nesbitt (Oxford): May I direct my question to the Secretary of State for External Affairs, Mr. Speaker. Yesterday I asked that minister what measures the government is prepared to take with respect to the reported statement of the Prime Minister of Guyana concerning the cutting off of bauxite supplies to Canada, a step that would bring serious hardships to certain industries of this country. Is the minister now prepared to answer the question?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not had a report yet from our office in Guyana, but I have spoken to officials of Alcan. As I understand the situation, the Prime Minister of Guyana did not go beyond any statement he had previously made on the same subject.

Mr. Nesbitt: A supplementary question, Mr. Speaker. If the minister has made inquiries to

that extent, may we know what the previous statements on the same subject were?

Mr. Sharp: I can only assume from what I was told that the officials of Alcan did not think there had been new developments that caused them any additional concern.

Mr. Nesbitt: May I ask a further supplementary question, Mr. Speaker. I am sorry to keep questioning in this manner, but this is an important subject. Was not the statement made by the Prime Minister of Guyana either yesterday or a few weeks or months ago, to the effect that supplies of bauxite would be cut off to Canada if certain conditions were not met?

Mr. Sharp: This, Mr. Speaker, is the information that I have requested our office to obtain from Guyana. I thought my interim report might help to allay the hon. member's fears.

ESTIMATES

ATTENDANCE OF MINISTERS BEFORE COMMITTEES AND IN THE HOUSE

Mr. G. W. Baldwin (Peace River): I have a question for the President of the Privy Council, but in his absence I will direct it to the Prime Minister. In view of the fact that we on this side of the house agreed to the sending of the final supplementary estimates to the Miscellaneous Estimates Committee in the belief that there would be ministerial attendance to deal with the votes, some of which are of an unorthodox nature, will the Prime Minister try to ensure that there will be ministerial attendance so that questions raised on that committee will be dealt with?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I might answer that question because I may be one of the ministers involved. My presence was requested this morning at one of the committees of the house. I would have been there had I been notified. I apologize anyway. I will be there next Tuesday.

Some hon. Members: Too late, too late!

Mr. Stanley Knowles (Winnipeg North Centre): Maybe I am just rephrasing the question, but may I ask it as a supplementary. What we are interested in is ministerial attendance in the house when these estimates come back next week. Can we be assured that when the supplementary estimates are before the house under the new scheme on Monday, Tuesday and Wednesday that the individual ministers will be here rather than one minister piloting through the whole bill?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I will take this up with the house leader. If he knows in what order the estimates are to be presented he will ensure that the ministers are here. I do know plans have been made for one minister to be here because this question was asked of him yesterday and he said he would be present for discussion next week.

Hon. Marcel Lambert (Edmonton West): I believe my colleague from Peace River was referring to the attendance of certain ministers at the session of the Miscellaneous Estimates Committee where there are one dollar items of a legislative nature. I refer specifically to the Minister of Transport responsible for housing, the Minister of Indian Affairs and Northern Development, and also the President of the Treasury Board who is responsible for this bill.

Mr. Trudeau: In the case of the Minister of Transport, I know he did give an undertaking yesterday to be present at a time mutually convenient to the opposition parties and to ourselves. I know he made this suggestion for a possible date. Regarding the other ministers I might ask the President of the Treasury Board to answer.

Hon. C. M. Drury (President of the Treasury Board): It is my understanding the Minister of Transport, one other minister and myself will be present to answer questions.

HARBOURS

VICTORIA, B.C.—SUGGESTED DEEPENING AND DRAINING

Mr. D. W. Groos (Victoria): I have a question for the Minister of Industry, Trade and Commerce which might aid in the solution to the question posed earlier today by the right hon. member for Prince Albert. Has the minister asked the Minister of Transport to recommend to his colleague the Minister of Public Works the immediate deepening and draining of the depth of water, a comparatively speedy, inexpensive and simple undertaking alongside the wharves of Victoria, where there is a very fine elevator belonging to the Alberta Wheat Pool—

Mr. Speaker: Order, please. The hon. member is referring to communications between the ministers. The question is not acceptable on this basis.

WATER RESOURCES

STEPS TO PREVENT POLLUTION OF BOW RIVER

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Minister of Indian Affairs and Northern Development. This question is in reference to the national problem of pollution and the report from the provincial government that the Bow River and other rivers in western Canada have reached a serious state. Is it the intention of the department to remedy the situation with regard to pollution under federal jurisdiction?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I already answered that question a few days ago. I am studying the problem now. I have received representations from the hon. member for Calgary South and I hope to make a report in this respect in the near future.

[*English*]

Mr. Woolliams: A supplementary question, Mr. Speaker. I appreciate the hon. member for Calgary South is also digging the minister. Is this included in the estimates of this year? Surely the minister can tell us that.

CANADA WATER CONSERVATION ASSISTANCE ACT

INQUIRY AS TO HOUSE REVIEW

Mr. Mark Rose (Fraser Valley West): A supplementary question, Mr. Speaker, to the Acting Minister of Energy, Mines and Resources. Can the minister inform the house when we can expect the Canada Water Conservation Assistance Act to come before this house?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): When the house leader announced the order of business for the balance of the session, he stated this measure would receive first reading during this session.

[*Translation*]

EXHIBITIONS

MAN AND HIS WORLD—REQUEST FOR FURTHER INFORMATION ON AGREEMENT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce.

Can the minister tell us whether he has any supplementary explanations or information concerning the statement made to the house yesterday by the Prime Minister as to the proposals the minister has made to the province of Quebec about "Man and his World"?

Inquiries of the Ministry

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this subject will be submitted to the municipal council by the executive committee of the city of Montreal, on Friday. It will then be decided whether or not the city of Montreal agrees to our proposals. In so far as the province of Quebec is concerned, I was in touch, a few minutes ago, with Mr. Beaudry who is the Minister of Industry and Commerce for the province of Quebec. He informed me that his government is still considering the proposals I made Tuesday evening and Wednesday morning.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question.

In connection with the proposals made to the Quebec government, is that government not bound to guarantee the deficit of Expo, for 1969, before it is in a position to operate Man and his World?

Mr. Pepin: Mr. Speaker, the Prime Minister has indicated clearly yesterday that our proposals covered two points. First, there is the Dozois proposal which is well known. Secondly, there is the matter of an agreement by the city of Montreal to settle its share of the Expo deficit. All these points must be agreed to by the three governments concerned.

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I have a supplementary question.

Has the Minister of Industry, Trade and Commerce considered granting an interest free loan in order to guarantee to the province the financing of Man and his World?

Mr. Pepin: No, far from it, Mr. Speaker. The federal government will in fact pay the interest.

[*English*]

CONSUMER AFFAIRS

INCREASE IN WOOD PRODUCTS PRICES

Mr. W. C. Scott (Victoria-Haliburton): My question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that within the last two months there have been price increases ranging from 25 per cent to 40 per cent on wood products related to the building industry, raising the cost of new homes anywhere from $1,000 to $2,000—

Mr. Speaker: Order, please. The hon. member cannot preface his question this way. He should ask the question directly.

Inquiries of the Ministry

Mr. Scott: Thank you, Mr. Speaker. Will the minister inform the house what steps are being taken to investigate the cause of such incredible increases in such a short space of time?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The Director of Investigation and Research under the Combines Investigation Act watches all significant price movements, and studies them, to determine whether they are as a result of any actions which may constitute an offence under the Combines Investigation Act.

INQUIRY AS TO SETTING UP OF PRICES AND INCOMES COMMISSION

Mrs. Grace MacInnis (Vancouver-Kingsway): Can the minister say when the prices and incomes commission is going to be established?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I welcome the eagerness, Mr. Speaker, with which the hon. member looks forward to the establishment of this commission. I have almost completed my consultations with interested economic groups. There will be some consultations with provincial finance officials and I hope to appoint the commission next month.

[*Translation*]

REGIONAL DEVELOPMENT

ST. ROMUALD, QUE.—INQUIRY ABOUT WHARF FACILITIES

Mr. Bernard Dumont (Frontenac): I would like to put my question to the future Minister of Regional Economic Expansion.

Since he has stated that a $5 million subsidy will be paid for the construction of an oil refinery and a deep water wharf at St. Romuald, could the minister indicate also whether that will include facilities for the export of asbestos?

Mr. Speaker: The hon. member's question could well be put on the order paper.

[*English*]

COMPREHENSIVE PLAN FOR PRINCE EDWARD ISLAND

Mr. David MacDonald (Egmont): My question is to the minister of regional and economic expansion. It relates to earlier questions I asked with regard to signing of the comprehensive development plan for Prince Edward Island. Can the minister now give the date when and where such signing will occur and who will be the signing officials?

[Mr. Speaker.]

Hon. Jean Marchand (Minister of Forestry and Rural Development): I hope in a few days to be in a position to give this information to the house.

Hon. J. A. MacLean (Malpeque): Would the minister say whether this agreement will be signed by the Premier of Prince Edward Island in his capacity as premier, and not merely as president of the Economic Improvement Corporation? In other words, will the agreement be between the two levels of government?

Mr. Marchand (Langelier): No. Should an agreement be reached, it would be between the two governments.

[*English*]

Mr. MacDonald (Egmont): As a further supplementary question, since there has been some indication that the plan might be decided a week from tomorrow can the minister confirm if this is correct or not?

Mr. Marchand (Langelier): I hope I can confirm or deny it soon.

IMMIGRATION

TIMING OF DISTINCTION BETWEEN DESERTERS AND DRAFT DODGERS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. Three days ago the hon. member for York South asked the minister whether he would consider tabling the directive issued in his department, making clear the distinction to be used between deserters and draft dodgers for immigration purposes. Has the minister decided what he is going to do in this matter?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, in this case such documents have always been regarded as privileged and by long tradition have not been tabled in the house.

Mr. Broadbent: Then would the minister consider making a statement on motions in the early future?

Mr. MacEachen: Mr. Speaker, I did indicate to the house some time ago that this question was under review. When the review is completed I will be making a statement in the house. I cannot predict at the moment when that occasion will be, but the statement will be made.

INQUIRY OF THE MINISTRY

Mr. Barney Danson (York-North): Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice. In view of the fact that one of the student rioters at Sir George Williams College is claiming friendship with a distinguished Canadian noted for his persistent efforts to overthrow the government, would the hon. gentleman in question be asked to join his hippy friends in incarceration?

Some hon. Members: Oh, oh.

BANKRUPTCY

STOA GALLERY, LTD.—ALLEGED FRAUD AND FALSIFICATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this is a follow-up to my question of yesterday to the Minister of Consumer and Corporate Affairs. Did a trustee in bankruptcy recommend in 1967 that the President of Stoa Gallery Ltd. of Montreal be "brought before the courts to stand trial for fraud and falsification," and what action is the government taking?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. The facts in the hon. member's question are correct. At the time the report was made by Mr. Margiese, the trustee, the subject of bankruptcy was and had been for some time under intensive investigation by the R.C.M.P., at the request of the Superintendent of Bankruptcy. Whatever evidence was discovered as a result of that investigation was, as is the usual practice in these matters, submitted to the Department of Justice.

Mr. Fairweather: As a supplementary question to the Minister of Justice may I ask whether charges have been preferred against the person involved as yet?

Hon. John N. Turner (Minister of Justice): No, sir.

NATIONAL DEFENCE

C.F.B. HALIFAX—PAY ADJUSTMENTS FOR PERSONNEL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the President of the Treasury Board. Can he advise the house what is the present status of the approximately 200 labourers and trades helpers at C.F.B. Halifax who have been waiting over two and a half years for their pay adjustments?

Mr. Speaker: Order. I wonder whether the hon. member does not feel that this is a question that might be considered at the time of adjournment in view of the fact that it refers to these people who have been waiting for two and a half years. Is that not an indication that the question might be debated at the time of adjournment?

Mr. Forrestall: Mr. Speaker, the matter is under very active consideration by the department, and the minister might be able to give some answer. This concerns a small pocket of men and the question must be resolved within the department.

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister which unfortunately I have asked him several times over a period of several months. Can he tell us when we may expect to have tabled in the house the report of the commission on security?

Right Hon. P. E. Trudeau (Prime Minister): I don't know yet, Mr. Speaker.

[*Translation*]

INDUSTRY

TEXTILES AND SHOES—REQUESTS FOR ASSISTANCE

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I wish to draw your attention to the fact that the applause is not for me personally, but for my sustained efforts.

I would like to direct a question to the Minister of Industry, Trade and Commerce.

In view of the fruitful and sustained efforts of the federal government to protect the wheat trade in Canada, could the minister tell the house whether the cabinet or the Department of Finance are considering taking effective steps in the near future to protect particularly the Canadian textile industry, which employs 23 per cent of the Quebec manpower, and which is experiencing more and more difficulties?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Minister of Finance is responsible for short term policies in this field, and I think he will make the relevant statements in due course.

As far as I am concerned, that is in respect of long term policies, my department as well as several others are conducting at this time a study on the textile industry in Canada, and I hope to receive in a few months the conclusions of that study, which will enable me to answer this question.

Hon. Théogène Ricard (Saint-Hyacinthe): Would the minister be kind enough to have an investigation made on the footwear industry which is going through a very difficult time?

[*English*]

HEALTH AND WELFARE

MEETING WITH REPRESENTATIVES OF BLIND PERSONS

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Can the minister advise whether he has received a request from the Canadian National Institute for the Blind and the Canadian Federation of the Blind for a meeting with himself and his colleagues in the near future, and if so, has a date been set?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. I do not know the precise details but I do believe I am meeting with them next week.

CIGARETTES—SIGNS IN AIR CANADA AIRCRAFT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the appalling increase in Canada in lung and cardio-vascular diseases has the minister had any meetings with the Minister of Transport regarding the signs on Air Canada planes stating "cigarette smoking only"?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, but I will take the matter under advisement.

EXTERNAL AFFAIRS

BIAFRA—BOMBING OF CIVILIANS AND RED CROSS OUTPOSTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Prime Minister. Would the Prime Minister consider sending a special representative again to see General Gowon, this time to request him to take steps to have the consistent bombing of hospitals and other non-military targets in the Biafra area stopped?

[Mr. Pepin.]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. Because of the most recent bombings of Red Cross hospitals and headquarters in Biafra will the Canadian government now consider requesting a full scale investigation of these atrocities by some international agency such as the United Nations in order to alleviate conditions for civilians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I thought any such action by the United Nations would be useful I would not hesitate, but I doubt if this could come before the United Nations, since it is an internal matter affecting the internal affairs of a member state of the United Nations, which would not agree to it being discussed.

Mr. Nystrom: As a supplementary question, would the Canadian government issue a formal protest to the Nigerian government deploring the most recent bombing of hospitals?

Mr. Sharp: I think it would be just as appropriate to make representations that the war should come to an end by the cessation of the resistance.

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 C-151, an act to amend the Fisheries Improvement Loans Act, without any amendment.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House
Ottawa
27 February, 1969

Sir,

I have the honour to inform you that the Hon. D. C. Abbott, P.C., Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 27th day of February, 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.

• (2:50 p.m.)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, at this time perhaps I might ask the house leader as to the nature of the business for the rest of this week and next week.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, on behalf of the house leader who is in Winnipeg today I should like to advise the house that today we will be dealing with the motion for the second reading of Bill C-173 respecting the organization of the government of Canada. When we have completed that stage we will deal with that bill in the committee of the whole house. We are to continue with that bill again tomorrow.

Next Monday, Tuesday and Wednesday have been set aside by a special order for the Business of Supply relating to the supplementary estimates. If it appears that this business may be completed before the time of the daily adjournment on Wednesday the house leader, after consultation, will let us know what the additional business will be. Next Thursday is to be a regular allotted day for the Business of Supply.

Finally, next Friday we plan to resume the debate on the motion for the third reading of Bill C-138, relating to the Bretton Woods Agreement Act. After that we would take the two agriculture bills, Bill C-157 respecting pest control products and Bill C-112 respecting the Farm Machinery Syndicates Credit Act.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

Right Hon. P. E. Trudeau (Prime Minister) moved that Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto, be read the second time and referred to a committee of the whole.

He said:

[*Translation*]

Mr. Speaker, in moving second reading of this significant and substantial legislation, I do not intend to go into details about each clause. This bill relates to many government institutions—some new, some already existing. It will be up to the responsible minister to deal with the relevant provisions for each department, agency or corporation which might come under this legislation. As for the questions of a general nature that might be raised by the proposed amendments, the President of the Treasury Board (Mr. Drury) will deal with them. Consequently, I intend merely to emphasize the principles on which the provisions of this act are based.

Government agencies, as well as all social institutions, are subject to constant changes to which we must adapt ourselves from time to time. As representatives elected by the people, all hon. members are duty bound to keep constantly up to date on such changes. And we must be ready to consider and to adopt any bill that could enable the government of Canada to accomplish its functions in a better way, as it is faced with new conditions.

That is why the present government has to assume particular responsibilities, regarding this house and the people of Canada. In fact, its role is to set up a vast program of reform and reorganization of all the governmental apparatus.

[*English*]

Since last June this government has proposed or instituted major reforms in three key areas of government. First I announced a restructuring of the cabinet committee system which enables the cabinet to function more effectively. This has been done, and we think with great benefit to the efficiency of the executive arm.

One member of the cabinet, as a consequence of this, who has been most active both within the cabinet and as a legislator is the government leader in the other place. As the work load of that body has become more demanding, his responsibilities for supervising and co-ordinating legislation has also increased. One of the provisions of this bill will bring his office under the Salaries Act and thus place him on the same footing as his cabinet colleagues.

Improvements in the cabinet's methods of processing questions of policy are important to our parliamentary system, and so are improvements in the legislative procedures of this house. The changes in the house rules which we adopted before the Christmas recess are making it possible for us to handle more systematically the greatly increased

volume of legislation and other business which has been coming before us in recent years.

During the debate on the house rules the opposition argued that in a democratic government the criterion of efficiency should be applied to the administration rather than to the legislature.

While many of us do not accept the part of that argument which applies to the legislature, we can all agree that efficiency is a desirable goal for an administration. The new rules will enable this house to add a large number of laws to the statute books at each session, and we must assure ourselves that the public service is organized to administer those laws as effectively and economically as possible. That is the purpose of the many changes proposed by the present bill. Each of them has been planned in response to a clearly defined need.

In one case an area of relatively new and rapidly expanding activity has called for the creation of a new department. We can foresee that the whole field of communications will be of growing importance to Canada and will require increasing federal government involvement.

For example, the impact of man-made satellites on our everyday lives is going to be revolutionary, and we can only guess at the implications of the new techniques of information storage and transmission. Canada is playing a leading role in the development and manufacture of these new instruments of communication. In our second century they may well prove as essential to the unity of our country as our transportation systems have been since confederation.

The government must be prepared to deal with complex questions of public administration and policy in this wide ranging field. Under the terms of this bill, this responsibility will be assigned to a single minister heading the department of communications.

[*Translation*]

The reorganization proposed in this bill will in some cases enable the government to face more effectively problems which are not new but could not be solved adequately within the present structures.

We know—and this was often said at the recent constitutional conference—that regional disparities have existed since the very first days of Confederation. We also know that the federal government has attempted, especially for a few years now, to reduce such disparities by having recourse to equalization payments, cost sharing programs and an increasing number of regional development projects. Most of those regional development programs were the responsibility of five ministers, I should say of several departments and various agencies.

Mr. Speaker, after all such programs have been consolidated under the sole Department of Regional Economic Expansion, we shall be clearly in a better position to achieve real coordination and centralization of our endeavours and undertakings in such a worthy and vital sphere in respect of our country's future. At the same time, we can group the many experts who, up to now, were trying to implement the regional development programs inside various departments.

However, we shall not content ourselves with merely following up what has been under way until now. The new department at the present time is in the process of revising the traditional notion of regional development.

The new policies will benefit from past experience, but they will also take into account today's new economic conditions. Later on, during discussions, the minister will have the opportunity to state in detail how he intends to consider the whole matter. But, on the other hand, he will be sufficiently empowered by the provisions of the act to implement the new policies of regional expansion.

[*English*]

Another example of an activity which will be continued within a new structural framework is the work of the Medical Research Council. In the last eight years the federal government's contribution to medical research has increased tenfold from $2.3 million to $26.9 million. The Medical Research Council, which administers these funds, was originally set up as part of the National Research Council. To better provide co-ordination of the federal government's activities in the field of health, while at the same time maintaining the degree of independence presently enjoyed by the Medical Research Council, the bill establishes the council as a separate corporation, responsible to the Minister of National Health and Welfare.

• (3:00 p.m.)

The bill also establishes the Science Council of Canada as a separate corporation. Under the existing Science Council of Canada Act,

the council has been subject to ministerial supervision. This bill will accord the council an independent status similar to that of the Economic Council of Canada. Like the Economic Council, it will become a separate employer and will have the right to publish its own reports.

In one case the bill grants additional powers and responsibilities to an existing department which complement those which it presently exercises. The Department of Consumer and Corporate Affairs was set up during the last session of parliament to provide a focal point for the protection of consumer interests. As we are all consumers, the department's activities have aroused a great deal of interest and support both in Canada and in other countries. The provisions of this bill will enlarge and strengthen the department's role by assigning to it a number of regulatory activities, designed to protect the consumer, which are presently carried on by other departments. These include the prevention of fraud and misrepresentation in advertising and packaging, and the maintenance of standards of safety and quality in food and drugs. The inspectors designated by the minister under the provisions of this bill will ensure that these standards are maintained in retail outlets. This will provide more effective protection for the Canadian consumer.

[*Translation*]

The main purpose of some other amendments in the legislation is to increase governmental efficiency while at the same time reducing administrative costs. The most significant suggestion in that regard concerns the establishment of a Department of Supply and Services. The Glassco Commission had recommended the grouping, within a single department, of common services such as purchasing and supply, in a way that such a concentration would be advantageous. Only in the volume of the operations involved, the government can make substantial savings. It also happens that experts with much diversified knowledge will be brought together and will, therefore, combine their abilities. In the last few years, following the recommendation of the Glassco Commission, the purchasing services have been systematically organized within the Department of Defence Production. The proposed department will be responsible for procurements as well as for other administrative services.

That will enable us to enforce the supplementary recommendations of the Glassco Commission and to provide most of the common services needed by the various government departments.

[*English*]

In two cases the bill provides for the consolidation of two existing departments or of an existing department with a branch of another existing department. The Department of Industry will be merged with the Department of Trade and Commerce, and the forestry branch of the Department of Forestry and Rural Development will be transferred to the Department of Fisheries. In both cases the objectives of the component parts and the services provided by them are similar in nature or complementary. The new departments, therefore, will be able to provide a wider range of co-ordinated programs while achieving substantial administrative savings.

I want to emphasize, Mr. Speaker, that the over-all effect of the many changes proposed by the bill is not to increase the number of governmental departments. Although the bill creates five new departments, it consolidates or abolishes five existing departments. So the total number of departments remains unchanged. Despite the length and complexity of the bill's provisions, our purpose has not been to make the government itself larger or more unwieldy but to eliminate duplication, to simplify administrative structures and to provide better service to Canadians.

I want to add only that we are doing all this in order to keep up with the changing times. I know that there has always been objection over the years to various forms of change or reorganization. I thought that as a matter of co-operation and dialogue with some of those who might object to the provisions of the bill I would supply them with a very good quotation which, for obvious reasons, I cannot use myself. But it might be worth reading. It is a statement by a certain Roman gentleman of 2,000 years ago who, talking of this process of reorganization, said:

> We trained hard—but it seemed that every time we were beginning to form up into teams, we would be reorganized. I was to learn that later in life we tend to meet any new situation by reorganizing, and a wonderful method it can be for creating the illusion of progress—

Some hon. Members: Hear, hear.

Mr. Trudeau:

> —while producing confusion—

Some hon. Members: Hear, hear.

Mr. Trudeau: It seems that hon. gentlemen opposite do not want to hear the rest of the quotation.

Some hon. Members: Carry on.

Mr. Nowlan: This is the best part of the speech. It is the first emotion in the speech. And after all, it is 2,000 years old.

Mr. Trudeau: I am glad that I have been able to draw the attention of a few hon. members of the opposition. I should not be surprised if I have even evoked the attention of a few of our own members on this side. This gentleman, Mr. Petronium Arbiter, speaking just about 2,000 years ago, was indicating a frame of mind which we of course reject. We believe that to live is to change, and that to progress is to adapt and modify to such changes. This is the spirit which on our side inspired this bill. But hon. gentlemen on the opposite side of the house, or at least some of them, are welcome to use the quotation if they want to do so.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it might not be unfair of me to commence by saying that some of us might have expected the Prime Minister (Mr. Trudeau) to give us a few constructive insights into some of these problems.

Mr. Knowles (Winnipeg North Centre): We have learned that this never happens.

Mr. Stanfield: Let me say to the Prime Minister that as far as the note on which he ended is concerned, certainly life is full of change and certainly governments and people must be encouraged to change with the times, but one of our quarrels with the present government is that it talks a great deal about change but does very little indeed.

Some hon. Members: Hear, hear.

Mr. Stanfield: As to the bill itself, I do not propose to comment in detail on very much of it. Apart from the new Department of Regional Economic Expansion, the bill obviously is part of what one must expect to be a continuing process in government, a continuing process of new organizations to some extent and the disbanding of old organizations as conditions change. It certainly does not appear to us from anything in the bill, or anything the Prime Minister said this afternoon, to represent any very revolutionary or far-reaching change in the approach to the administration of government in this country.

• (3:10 p.m.)

I am disappointed with one major point in the bill. I touched on it yesterday and will not refer to it at length today. But since the minister to whom I was speaking yesterday did not see fit to make any comment, perhaps I might evoke some kind of reaction from someone on the government benches. I am referring to the need for reforming and changing the status, the position and the legislation governing the Auditor General. I will simply content myself with referring the Prime Minister to the few very wise remarks I made on this subject yesterday and commending them to the attention of the members of the government. It is a matter of disappointment to me that neither the financial administration bill nor the government reorganization bill face up to the increasing importance of the Auditor General being made fully independent of the government and fully responsible to parliament. I doubt that any question involving public administration in this country is of such great importance today as the one I raised yesterday and which the minister did not consider important enough even to respond to.

There are some things that are a little difficult to understand and are perhaps not of fundamental importance so far as this bill is concerned. Some of us were surprised to see the Department of Fisheries and the Department of Forestry put together, and we certainly did not obtain any enlightenment from what the Prime Minister said this afternoon. It is a little difficult to see how these two departments mesh. It would seem, to some of us at least, that they should continue as separate departments because they are quite separate functions, even though on appropriate occasions they might both be presided over by the same minister. Certainly the Prime Minister, regardless of what a minister may say on the matter in the future, did not give the house any explanation with regard to this change.

I think the decision to place the Science Council of Canada on an independent basis will surely commend itself to the house generally.

Reference was made to the new Department of Supply and Services, the establishment of which was recommended by the Glassco commission. I expect this will command the support of the entire house.

The new Department of Communications to which the Prime Minister referred is, I think, an obviously appropriate step to meet changing conditions and it represents a reasonable concept, although on reading the bill I was surprised at the very narrow definition of the responsibilities of the minister. In view of the roving responsibilities that the minister seems to be discharging today, if he has to stay within the narrow confines of the provisions outlining the duties of his new department he will find himself very severely restricted indeed as to the number of subjects with which he can deal. Certainly the bill leaves the future of the Post Office Department in some uncertainty. Certainly the reorganization of this department is a pretty clear indication of something that the Prime Minister touched upon in closing. He pointed out that it was said by a Roman nearly 2,000 years ago that reorganization per se does not necessarily produce a better service, and we are certainly seeing this today in the Post Office Department. It is a fairly clear indication that reorganization in itself will not necessarily result in improvement.

The Department of Industry has been merged with the Department of Trade and Commerce and has become the Department of Industry, Trade and Commerce. My recollection is that the Department of Industry was set up a few years ago by a Liberal government with tremendous fanfare and with loud announcements of what it was going to accomplish. People on this side of the house questioned that at the time, criticized the establishment of the new department, said it would involve a waste of money and predicted it would not produce good results and would be a very costly venture. It seems now that there is no disagreement on the subject after a lapse of a few years. It seems to be agreed again that industry should go along with trade and commerce and that this aberration which lasted for a few years should be eliminated. This seems to involve the admission of a substantial error on the part of the government.

The main change in the bill, so far as the effect on the country as a whole is concerned, relates to the new Department of Regional Economic Expansion. I should say in passing that I do not know whether it represents the totality of the government's war against poverty. I am not sure I know what happened to the government's war against poverty except that it seems to have died somewhere along the way. Certainly the poor people have lost the war so far. But where is the war against poverty? There is nobody in the house, unless I am under a delusion, who believes that a program to attack regional disparity will in itself eliminate poverty in this country because it has been made very clear by the Economic Council of Canada, among others, that there is a great deal of poverty in areas that do not suffer from regional disparity. I must make the point in passing that so far the government has not given any indication of a determination, either by itself or in co-operation with the provinces, to start the war on poverty which was declared by the Liberal government some years back and then abandoned. When we ask about it the Prime Minister is prone to say that he does not have to read the report of the Economic Council of Canada to learn about poverty. I do not think anybody in the house does. I do not claim we first discovered poverty, but the question is: When is the government going to do something about it?

The new department is being established as part of the government's attack on the problem of regional disparity in the country. Dealing with the problem in the country as a whole and not with specific reference to the Atlantic provinces where a special agency has been in operation, I point out that the new department will involve a greater degree of co-ordination of the federal agencies concerned with this question today. I should emphasize that it does not involve anything like complete co-ordination of the activities of the federal government or of the federal agencies concerned in this matter. Virtually every department of the federal government is involved in the problem of regional disparity. The policies of the Department of Finance are obviously important, the policies followed by the Treasury Board in fiscal matters are obviously important, and the policies followed by the Minister of Transport (Mr. Hellyer) are also obviously important.

I want to emphasize as forcefully as I can that the agencies which are being consolidated in the new department must not be understood to involve anything like an adequate degree of co-ordination if the government is going to make an effective attack on regional disparity. It would be very unfortunate indeed if members of the house or citizens of Canada deduced from what the Prime Minister has said that the new department will in itself provide the necessary degree of co-ordination.

One of the dangers in establishing the new Department of Regional Economic Expansion and giving this responsibility to a minister, a danger that must constantly be kept in mind by the government as a whole, is that there may very well be a tendency on the part of other ministers to say, "Let Jean do it" and not accept any particular responsibility for, or even wash their hands of, the whole problem of regional disparity. This is something the minister will have to fight against every day that he holds this portfolio, and it is a matter which I want to emphasize as forcefully as I can.

This bill does not assure anything like the degree of co-ordination which there must be among the departments of the government if regional disparity is to be attacked effectively. Second, it certainly does not assure anything like an adequate degree of co-ordination or co-operation with the provinces. There have certainly been many possibilities in recent years for this government and the provinces to work at cross-purposes. I do not think it would be difficult to produce examples where this has happened in the area of development.

● (3:20 p.m.)

The ADA program, for example, might very well have tended to work in a number of provinces in a direction contrary to that which the provinces involved in regional and industrial development might themselves have wished. Certainly there has not been a full measure of co-operation.

This bill gives the minister and the Governor in Council very wide and, indeed, extraordinary powers, and it is most important that these powers be exercised in co-operation with the provinces and in close consultation with them. There is, for example, no clear indication in the bill as to how the minister and the government will select the regions in which special efforts are to be made. We do not know, for instance, whether or not there is to be one definition common across the country, or to what extent the provinces will be consulted. We are left in doubt whether the concept of regions will be tailored within certain limits to meet special conditions in individual provinces or to integrate with the policies of the provincial governments concerned.

These are matters with which the minister will have to deal specifically when he speaks to the house. There must be co-operation. We do not know how large these regions are likely to be and some explanation would be very helpful in enabling us to judge the wisdom of delegating these substantial powers which are capable of being exercised in a quite arbitrary way.

The bill fails to indicate the kind of aid which can be granted to industry. Here again, the government is given very wide powers of discretion. There is a danger in this regard of distrust arising between different regions of the country because it may be felt that the government is adopting different standards in different parts of Canada with regard to aid of this type. It is important that the government define as clearly and as rapidly as possible the measures by which it is intended to provide aid for industry. I think it is clear enough that the minister does not know the answer yet, because something could have been set out in the bill if more precision had been reached. It is important to eliminate distrust. It is important that those connected with the development of industry on a local or regional basis should know as precisely as possible the kind of aid which is to be available.

Industry will not wait around for very long, Mr. Speaker, while the Treasury Board makes up its mind whether or not a particular type of aid will be granted. In the meantime, developments might very well go ahead in other areas where such assistance to establish on a solid foundation is not required. These wide powers could be a source of conflict and misunderstanding in a number of directions. Unless exercised carefully they could lead to constitutional conflicts with the provinces, or to the government of Canada and the governments of the provinces working at cross-purposes in terms of development policy. Co-operation and consultation are therefore imperative, and the success of this new department will really depend upon the way in which it is administered.

These wide powers are important also in relation to the suspicion they may engender in connection with their administration. Of course, if they are exercised in a vague way without definition they may simply result in confusion and ineffectuality in the field of regional development. Again, I say we need as precise a definition as possible as quickly as possible in order to learn how these powers will be translated into orders in council.

The minister has indicated one or two concepts which appear new to him and to the government, ideas which it is intended to use in an attempt to solve the problems caused by regional disparity. He has admitted—and I do

not try to make anything of this—that efforts made in the past have not proved to be particularly successful, and he has spoken about the utilization of growth centres in regional development as a means of speeding up industrialization and development. He referred to growth centres as though they were something new which had just been discovered. Actually this concept has been familiar in the United Kingdom for many years. Reference to it was included in the recommendations made to the governments of the four Atlantic provinces a number of years ago by Professor Wilson, the Adam Smith professor of applied political economy at Glasgow University. In my former position of responsibility, I tried to persuade the appropriate federal authorities, ministers and agencies, to recognize this concept at least to the extent of not discouraging the development of growth centres, but without success. Provincial institutions such as the Nova Scotia Economic Planning Board long ago commended this principle to their governments.

The idea, of course, is that some self-generating growth of continuing momentum can be developed based upon centres which have a certain amount of concentration of industry and services. It seems this is the best way in which one can develop some economic dynamism in regions of slow growth. Though this has been urged upon the federal government, its policies for the last five years have worked precisely in reverse of this concept, and the very least I can say today is that through perversity, through a lack of willingness to examine the experience of other countries, the federal government has pursued policies working in the opposite direction to the principle of the development of growth centres, as a result of which the country has obviously lost valuable time despite the expenditure of large sums of money intended to ease economic disparity.

I warn the minister that general acceptance of the concept of growth centres will require a good deal of education and selling across the country. In this connection it is important that the minister should not overdo the concept now he has recognized it. It is particularly important that he should not establish too few growth centres, that he should not try to concentrate growth in only a few centres. If this concept is to be accepted it is vital to avoid this mistake. It is necessary that there should not be too few centres selected. In this context it is important that the minister and the government should not confuse the necessity of some degree of concentration of resource industries, such as the fish processing facilities to which the Minister of Fisheries (Mr. Davis) has referred, with the concept of growth centres. There is no reason in the world why a centre of resource development and concentration should have to be in one of these growth centres. The government should be most careful, to the extent that it influences the choice of location or the concentration of resource industries, to keep in mind that it is not at all necessary to locate these industries in growth centres.

• (3:30 p.m.)

It is important that the minister should not push the growth centre concept too far, because if a region is to be developed it has to be developed by a balanced program. To date the growth centre concept has been underplayed. The policies of the government have directly worked against growth in areas of growth. It would be a sad mistake indeed if the government now swung over in the opposite direction, selecting too few growth centres to start with and ignoring the possibilities for developing resource industries throughout the country. There must be a balanced program of development if the concept is to work.

If I may say so without offence, now that the minister has seen a little of the light I express the hope that he will not allow that little bit of light to dazzle or blind him. I say to him: Do not overdo it. Do not oversimplify the matter, and do not neglect the important possibilities for resource development.

The second concept that the minister is adopting is that of being prepared to pay part of what one might call the break-in cost of a new industry for a period of one, two or three years. I congratulate the minister on finally accepting this view. It is another practice that has been followed in the United Kingdom. It was one of the recommendations of Professor Wilson to the governments of the four provinces. It was one of the ideas that we tried to sell to the federal government and its agencies.

Under the former trade training agreements one could get a little help for a new industry. It must be very clear to everyone that a firm or an industry which sets up business in a town or a city that does not have a highly developed industrial complex will experience much higher costs in connection with training labour and integrating an efficient work force for a year, two years or possibly three years than that firm or industry would experience on moving into a highly industrialized area.

That is as plain as the nose on your face, Mr. Speaker. Unless there is some such program as the minister is now proposing, and similar to what used to be done under the former trades training program, we cannot hope to get much industry in areas of slow growth.

This is a very important measure that the minister is proposing to adopt and I support it. I regret that it has taken the government four or five years to come around to this way of thinking, but better late than never. If this aspect of the program is an essential one, then I am pleased to see action taken on it.

I have emphasized the need for full co-ordination among all federal departments and agencies, between the federal government and the provinces, and among the federal government, the provinces and private groups and individuals. This goes far beyond the concept of co-ordinating the few federal agencies that will now come under the wing of the Minister of Regional Economic Expansion. Co-ordination is required right across the country.

In the Atlantic provinces a special federal agency has been established for development purposes. It was first established as an advisory council that would conduct studies and make recommendations. In the year 1963 the Liberal government made a tremendous amount of noise about converting the Atlantic Development Board into an administrative agency.

I had some reservations about what was done. In the first place, I had some reservations about the allocation of a specific sum to the Atlantic Development Board, and I was by no means convinced that the step being taken at that time was right. But the government and its supporters of that day trumpeted this change from the housetops, declaring it would accomplish tremendous things for the Atlantic provinces. There was practically no end to the benefits that this step would confer upon the Atlantic provinces. This conversion of what had originally been established into an administrative agency was going to mean that money would be put in its hands in order to lick the problems facing that area. At least, that was the story four or five years ago.

I admit that there have been disappointments. Certainly the hopes that were held out by the government of Canada were illusory. Most of us who followed the work of the board were disappointed that it did not develop some kind of plan that had a reasonable degree of activity. Were my hon. friends or their predecessors in the same party completely wrong in 1963 and 1964 when they conceived this new and magnificent idea which they announced with such noise? I think it is pretty clear now that they think they were completely wrong to create this administrative agency at that time. They exaggerated the results that could be obtained. As I say, we were all disappointed that the board did not develop a plan, but during the course of the last five or six years it has gained in experience.

I suggest, as I have suggested previously, that instead of emasculating this agency the government should strengthen it to some extent. It now seems to be agreed that this region must be developed as a whole. The Atlantic Development Board could be the central focus for economic development for the region as a whole. It could be the central focus in terms of co-operation with the provinces and with the whole community, both of which are certainly necessary.

What the minister is proposing now is to put regional development into the hands of a highly centralized bureaucracy in Ottawa. Instead of there being more movement into the region in terms of effecting solutions, instead of there being a more effective involvement of the region in its own problems, there is a movement toward a high degree of centralization in Ottawa. Without being offensive or unfair, everything is now going to be in the hands of the minister and Tom Kent. Everything will depend on these two gentlemen.

As I say, I think the Atlantic Development Board should be strengthened. The board could be converted into an effective agency for co-ordinating developmental efforts in the region. It could be an effective agency for co-ordinating the activities of all federal departments and agencies in the region, not just the agencies that the minister is going to administer. It could also play some part in tailoring programs to the needs of the region.

I suggest in all sincerity that the same kind of agency could be very important and of great assistance in that part of Quebec east of Three Rivers, an area that is properly of such great concern to the minister. I would recommend that instead of emasculating the Atlantic Development Board the minister consider using it as an effective co-ordinating agency. The government of Quebec should be consulted on the establishment of a comparable agency to supervise and co-ordinate the developmental job required, particularly in the eastern part of Quebec.

• (3:40 p.m.)

Mr. Mongrain: Mr. Speaker, I rise on a question of privilege. I apologize for interrupting the Leader of the Opposition but I wish to remind him that the city of Three Rivers does not exist. Its correct name is Trois-Rivières.

Mr. Stanfield: Mr. Speaker, I apologize to my hon. friend. I shall be careful to call Trois-Rivières by its correct name in future. I thank my hon. friend for bringing this point to my attention. It seems that some of us do not yet understand some of the finer points connected with place names.

As I was trying to say, I hope the minister is fully aware of the implications of my remarks. I ask him to reconsider what he has in mind about the Atlantic Development Board. He ought to use it for the purposes I have suggested. Also he ought to consider consulting with the province of Quebec on the establishment of a similar agency to meet development problems east of Trois-Rivières dans cette province-là.

I suggest that changes in the Atlantic Development Board will weaken it and will involve loss of time and continuity in solving certain problems. Those changes will also bring about a degree of centralized bureaucracy and the minister will find effective coordination difficult to achieve under the new proposals.

I wish to ask another question about the general policy of the department in question. No doubt the minister is aware that the Economic Council of Canada, when discussing the problem of regional disparities, placed great emphasis on the development of growth related services in provinces which have not yet reached an adequate standard of growth. The Economic Council paid a great deal of attention to this matter in its report a couple of years ago. Although the bill empowers the government to make grants to provinces to help with the building of provincial infrastructures—I presume the grants will go toward certain kinds of development, road building, assistance to transportation, and so on—I wonder whether the bill envisages the kind of assistance the Economic Council of Canada regarded as essential if some regions of slow growth in the country are to move forward as rapidly as they ought to. I therefore ask the minister to consider seriously whether the bill fully incorporates the recommendations of the Economic Council in this regard.

An hon. Member: It does.

Mr. Stanfield: Someone said it does. I do not know whether the minister said those words. I will not trespass much longer on the good nature of the house, but we must ask ourselves whether this government and the Liberal party are not swinging around like a windmill in certain areas of activity and responsibility. One year they set up a Department of Industry, which many said was not needed or necessary. Then, two or three years later they discovered their mistake and put the industry portfolio back under trade and commerce where it ought to have been all along. The government at one time appeared to be opposed to the establishment of so-called growth centres; now we wonder whether it may go to the other extreme. They took the Atlantic Development Board, which prior to 1963 had been set up as an advisory council, and made a great fuss about converting it into an effective administrative agency. Then in 1969 they decided after all that that step was an awful mistake and they reduced the status of that agency to that of an economic advisory council. From my reading of the bill that council will not meet very often.

From what I have seen, the government has really been going around in circles. The number of agencies potentially available for development purposes in the Atlantic provinces has been reduced. I know hon. members from the west as well as those from the east are concerned about what will happen to programs like ARDA and FRED. Others wonder whether there is truth in the rumours that P.F.R.A. is to be abolished. Hon. members on both sides of the house wish to be reassured on these points. Certainly it would be tragic if inadequacies under P.F.R.A. were to be the scapegoat for the inadequacies of other federal programs in western Canada. So I repeat to the government; Stop going around in circles. Do not swing too far in either direction in the concept of growth centres.

I assure the minister that he will run into political trouble over the growth centre concept; nevertheless, he will not find me giving him trouble unless he pushes the concept too far in either direction. Although I shall support him in that concept, I think he will find there will be no public acceptance of it by people across the country until it has been fully explained and sold to them. I ask him not to swing too far in either direction and to explain to the house exactly what he has in mind with regard to the definition of a region. Does he intend to consult the provinces on

the definition or location of a region? Also, could he explain precisely the form of aid he proposes to make available to certain industries?

The bill, which is now before us eight months after the election was held, is only a skeleton. I hope the minister will put flesh on the bones.

Finally, may I make this point. It will not offend the Minister of Finance who is not present in the house. To be effective, any program must have available to it financial resources. It is one thing to pass a bill and create agencies to administer a program, but it quite another to make a program work. If the minister is to do the job I know he hopes to do, he will need massive financial backing from the government. The entire effort must be massive if we are to overcome regional disparities in this country. The present measure ought to be regarded only as part of the war against poverty in Canada. I hope that very soon the government will continue by other means its attack on the prevalent problem of poverty in this country.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I propose to deal with the principles underlying this bill. Several of my colleagues will deal with the various parts of the bill as they are brought forward in committee of the whole.

This measure for government reorganization deals solely with the mechanics of administration. It should be remembered that government departments are established to fulfil certain obligations and responsibilities in response to agreed government objectives and goals. Government departments are tools, and the effectiveness of those tools depends entirely on the purposes for which they are used.

I submit, Mr. Speaker, that unfortunately we have had no clear statement today from the Prime Minister either on what our national objectives are or on what priorities have been established to attain those objectives. There is little advantage in talking about government reorganization unless we know what it is the government is seeking to accomplish. Before someone starts to design a vehicle he wants to know the kind of terrain over which it will be expected to travel, whether it will be devised for carrying passengers or heavy loads and what speeds are considered desirable. The kind of vehicle that one designs is therefore determined by the purpose the designer has in mind.

[Mr. Stanfield.]

• (3:50 p.m.)

What we need in Canada is departmental reorganization with a purpose. We need to know what the government's goals and objectives are, what priorities have been established, what allocations of human, material and financial resources have been determined. It is only when we know these facts that we are in a position to assess whether this reorganization is adequate. In the opinion of the members of this party reorganization is an exercise in futility unless there is government planning at the centre. Someone has said that planning is something which everyone does who has any sense of tomorrow. So far we have not had from the government any clear statement with respect to the goals it has in mind, and certainly the statement of the Prime Minister (Mr. Trudeau) this afternoon has added nothing to the information which we require. I suggest it is about time that the government stopped believing in the myth of an invisible hand which will guide the economic system through to its optimum performance. The old laissez-faire doctrine that if the economy is left to itself it will resolve its own contradictions is both unacceptable and dead.

This reorganization measure is only one of many reorganization measures which have been submitted by a Liberal government. Some people have a tendency to forget, and the government seems to want them to forget, that while this government may have a new Prime Minister it is not a new government. A Liberal government has been in office for almost six years and we have had a steady progression of programs and reorganizations introduced with great fanfare but with very disappointing results.

I can understand the Prime Minister quoting from Petronium Arbiter. I thought he had a bit of a guilty conscience when he reminded us that over 1900 years ago a wise man said that sometimes reorganization was used for creating the illusion of progress, because that is what we have had. In nearly six years of Liberal government in this country we have had a series of new programs and reorganizations without results; they are like a man moving around the parts of a jigsaw puzzle in the hope that somehow or other some picture will emerge.

I submit the government's failure to set clearcut goals and its failure to allocate resources have made all of these past reorganizations both ineffective and fruitless. Mention has already been made of the fact

that when the Liberal government took office in 1963 there was a great deal of fuss regarding the setting up of the Department of Industry to encourage economic growth. Many of us pointed out then that unless it had enough financial resources and unless it was the fulcrum for a series of other policies it would be useless. The government has now taken the Department of Industry and laid it to rest along with the Department of Trade and Commerce.

The government then introduced a series of measures to help the underdeveloped areas of Canada, particularly the Atlantic provinces. They set up the Atlantic Development Board, the area development agency, the fund for regional economic development, and Devco to bolster the declining coal industry in Cape Breton. Members of this party pointed out that the designated area program had a formula which was irrelevant, unrealistic and would be of little value. We pointed out that the multiplicity of unco-ordinated agencies which had been set up by the government would result in confusion and sterility.

After all this time the Minister of Forestry and Rural Development (Mr. Marchand) has now told the people of Canada that in these programs $1 billion of the Canadian taxpayers' money has been spent and about half of it has been wasted. That is quite a confession. As Mark Twain once said, confession may be good for the soul but it is bad for the reputation.

Then there was the war on poverty which was launched with the blowing of bugles and the beating of drums, but the government lost that war without ever firing a shot. Anyone who reads the fifth annual review of the Economic Council of Canada will realize how badly the government lost that war. In this country, with all the rich resources we possess, one-fifth of our people are living in a state of poverty and another one-fifth live in a state of deprivation.

Some of us will recall that when the government removed manpower training from the Department of Labour and set up the combined Department of Manpower and Immigration it said this was going to solve the problem of unemployment. I must say that the program was well conceived, but it failed in its objectives because of a lack of an adequate placement program and the lack of adequate machinery for ascertaining the needs of industry. The result is that in the past few months I have met scores of men who were trained under the manpower training program and who find it impossible to get employment in the work for which they were trained, so that we have merely substituted skilled unemployment for unskilled unemployment.

• (4:00 p.m.)

We remember how the government launched a program to solve the housing crisis. A former minister of labour, Mr. Nicholson, was given this as his special task. Housing conferences were held all across the country culminating in a great housing conference in Ottawa just a little over a year ago—

Mr. Knowles (Winnipeg North Centre): Culminating in his going to Victoria.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The effectiveness of that attack upon the housing crisis can be shown by the fact that last summer the government set up a task force to deal with housing. It became known as the travelling circus, and after spending thousands of dollars of the taxpayers' money it brought forward only one really serious recommendation, namely, that the government should remove the 11 per cent sales tax on building materials, something which the opposition had been trying to tell them for the last five years, and at no charge at all. The only proposal that came out of the task force's efforts was immediately shot down by the Minister of Finance (Mr. Benson) who said he had no intention of removing the sales tax from building materials. Apparently Hellyer proposes and Benson disposes. To revise the old saying, Hellyer hath no fury like a woman scorned.

I am not criticizing the idea of reorganization. I am pointing out that these reorganizations of departmental responsibilities may have been admirable in themselves but that they failed for the lack of any over-all planning and because the government did not allocate to them the resources necessary to make them effective.

The inevitable fact is that the government has never seriously adopted the goals which were set out by the Economic Council of Canada in its various reports. Starting with its very first review in 1964 the Economic Council began to delineate objectives toward which the country should move. The major goal they established is that we must have a maintenance of economic growth and full employment. They suggested three things which had to be done if we were to meet that goal. First, they recommended a growth rate

of 5½ per cent in constant dollars for the gross national product, and a 3.4 per cent per capita growth. But the economy is not operating at that level. In 1968, at least in the first nine months which are all we have figures for, in real terms the economic growth rate per year was only 4.8 per cent and the per capita growth rate only 2.4 per cent. For the previous year, 1967, the G.N.P. increase was only 2.8 per cent, and the per capita growth rate less than 1 per cent, so that after nearly six years of Liberal government we have not attained the goal which was set for maintaining full economic growth in Canada. We have a short-fall of economic production which constitutes a loss of probably some $3 billion a year because of the government's failure to implement the recommendations which were made by the Economic Council of Canada.

The second goal they suggested was that we should keep unemployment at 3 per cent or less of the labour force and that we establish this as a desirable goal; they believed it was an attainable goal. I point out that in most of the countries of western Europe 3 per cent would not be accepted as a desirable goal. Many of the countries of western Europe have kept well below 2 per cent and some of them below one and a half per cent.

In Canada in January of this year the unemployment figure reached some 465,000, some 5.9 per cent of the labour force. The fact is, that the economy of this country is not growing fast enough to provide jobs for the thousands of young people who are entering the labour market every year, and the prospects for the future are far from encouraging. The lastest reports indicate that an increasing number of university graduates are having difficulty in securing prospects of employment this year, and that there will be an even larger number of students unable to get summer work despite the fact that last year was one of the worst years we have had for a long time.

The third goal which was suggested by the Economic Council was that we should endeavour to keep price increases below 2 per cent per year. But in January, 1969, the cost of living was up 3.8 per cent over January, 1968. The increase in the cost of living over the past five years has averaged 3.3 per cent. In consequence we have the anomaly today of rising prices on the one hand and unemployment on the other. We have inflation and pockets of poverty side by side. The reason is that the government has never committed itself to the attainment of the objectives outlined by the Economic Council of Canada and has not introduced the kind of policies that would have made that attainment possible. The failure to attain these goals has been due to the lack of government policies and the lack of over-all co-ordination.

It is not the function of government agencies or departments to set over-all goals. This is the responsibility of the government and the government alone. Only the government can establish the priorities for utilizing the various resources required to attain national goals. For instance, the government has failed to establish capital priorities and to place special emphasis on economic growth with proper regard to the relationship between the demand for private capital and the requirements for social capital.

The government has failed to introduce fiscal policies to promote a redistribution of income. As a matter of fact, contrary to the recommendations of the Carter commission, which said that too heavy a share of the tax burden was falling on the middle and lower income groups, the government has continued to increase the burden on these groups, and the final blow was the implementation of the so-called social development tax which seems to summarize the views of the Prime Minister for a just society, namely, that everybody should pay the same tax whether his income is $8,500 a year or $85,000 a year.

(4:10 p.m.)

The government has failed to establish any type of monetary policy to allocate our financial resources with a view to permitting economic growth. The government instead has allowed the allocation of our financial resources to be determined by the market and the ability of certain segments of the economy to pay exorbitantly high interest rates.

The government has failed to introduce any measure of price controls on basic commodities despite the fact that corporation profits for the third quarter of 1968 showed an increase of 5½ per cent over the previous quarter and 15.4 per cent over the same quarter in 1967. For the first three quarters of last year total profits showed an increase of 13.6 per cent over the first three quarters of 1967.

If the government wants to know what one of the factors providing inflationary pressure is it should look at the very sharp increase in profits in this country. The government has done nothing either to ascertain the extent to which exorbitant profiteering has been responsible for rising prices or taken any steps

to prevent it. Surely the lesson is clear. The government's refusal to plan and its refusal to co-ordinate the economy can mean only growing unemployment, rising prices and economic dislocation.

In the measure before us the government is going to establish a department which will be responsible for attempting to eliminate regional economic disparities. This is a sound proposal. Members of this party have long advocated that a department of government be given this particular responsibility. It should be kept in mind, however, that regional disparities can only be eliminated in a growing and expanding economy, and that poverty is not only located in some areas to a greater extent than in others but that pockets of poverty are to be found in almost every part of the country.

The department which is to be set up to deal with regional disparity can only be effective if it is given adequate financial resources. The fact that it is being allocated merely an additional $37 million would indicate to me that the government does not intend to make any radical departure from its past policies. Merely moving some of the five various agencies which have been operating into a single department and abolishing the Atlantic Development Board and setting up an advisory committee is not going to deal with this problem unless the government is prepared to make massive sums of money available to this department to launch an all-out attack on poverty to remove some of the regional disparities which, if not removed, will tear confederation apart.

We submit that the proposed departmental reorganization gives no indication whatsoever that economic goals are being set or that economic policies are being put into motion to attain those goals. There is a growing need in Canada today for a department of government which has over-all authority to co-ordinate and supervise those activities which have to do with economic growth and full employment. I think what we really need is a department of economic affairs which would have the responsibility of co-ordinating the monetary, fiscal and investment policies being implemented by various departments of government. If the government is not prepared to do that there ought to be some co-ordinating body established, preferably in the office of the Prime Minister, whose task it would be, having been acquainted with the goals set by the cabinet to see that the various departments of government play their part in carrying out the various programs so that the goals set by the government could be achieved.

I would be interested to hear from the government as to where the Canada Development Corporation is going to fit into this reorganized government structure. I think the Canada Development Corporation should be under the direction of whichever minister is going to co-ordinate the government's economic programs. If this agency is to be a genuine economic tool and not merely a mutual loan fund with the government as a silent partner, it has an important role to play in attaining some of the goals set by the Economic Council of Canada.

I think the Canada Development Corporation ought to be given three important tasks. The first task is to promote the processing of more of our primary products here in Canada. The fact is that at the present time more and more of our extraction industries are in the hands of foreign investors who have set up subsidiaries in this country purely for the purpose of supplying their parent companies with certain raw materials. Because they are selling to their parent companies they can sell at the lowest possible price. Consequently their profits are low and they pay very few taxes and can use their low profitability as an excuse for paying low wages.

Most serious of all, these companies are primarily concerned with getting raw material out of the country in its most primary state. We see this, for instance, in the province of British Columbia and in my own constituency where sawmills have been closed allegedly because of a lack of logs yet every day boatloads of unprocessed logs are going out of the ports of Vancouver Island. We are exporting jobs. British Columbia is shipping out coal and iron ore. We are exporting copper ore, and in other parts of Canada we are exporting nickel, lead, copper, zinc and pulp.

I am not suggesting we should not export any raw material. I am suggesting that if we are going to have economic growth and full employment, and if we are going to provide jobs for the young people we are training, then more processing must take place in Canada. This means supplying the necessary capital to expand existing Canadian-owned industries and to start new Canadian-owned industries for the purpose of processing raw materials to develop the Canadian economy. I think the Economic Council of Canada has to be charged with the responsibility of rationalizing our industry so we can break out of the branch plant syndrome which is inhibiting

our economic growth. Finally, I think the Canada Development Corporation has to be given the task and the means of increasing Canadian ownership and control of the Canadian economy.

• (4:20 p.m.)

I would like to know from the government where in this reorganization there is any machinery or program for implementing any of the recommendations of the Watkins report. The government has been very casual about that report. Here is a report which says that no other country in the world has so much of its economy owned and controlled outside its borders as has Canada. Here is a report which indicates that we are rapidly reaching the point of no return, that we are rapidly losing control of our economic affairs. Any person who studies history knows that inevitably political control always follows economic control.

What does the government propose to do about the Watkins report? What is there in this reorganization that will give to some department or agency of the government the responsibility for developing greater Canadian ownership of our economy and eventually regaining control of that part of our economy which is now in the hands of foreign investors? I can find nothing here that indicates the government intends to do anything at all about the recommendations of the Watkins report or about the dangers to which it drew the attention of the Canadian people.

We cannot object and we do not object to the government shifting around its departments and reallocating responsibilities to various ministers. That is the prerogative of the Prime Minister. But I have been disappointed, as I am sure many members have, and I think the people of Canada will be disappointed, that in his entire statement today the Prime Minister said nothing at all about the goals and objectives which this reorganization proposes to make possible. The Prime Minister talked about reorganization so that the departments could administer the laws. But surely departments have the task of doing something more than merely administering laws. Surely departments are tools to be used for the purpose of setting up and following certain definite social and economic programs. Surely the task of government is to set desirable goals and to organize and co-ordinate all the resources of government to make possible the attainment of those goals.

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

There is nothing in what the Prime Minister said today which indicates that the government has any concept at all of what the role of government is in a modern society. I do not wonder that the Prime Minister closed by quoting the phrase that reorganization can be used as a method for creating the illusion of progress. I suspect that that is all this measure will turn out to be, an illusion of progress.

Unless the government, in the course of the discussion in committee of the whole, can give us some idea of what its goals and objectives are, I think we will be justified in concluding that this is merely another reorganization, that it is a playing around with departments and agencies which are in search of a policy, that this is a government with no clearly defined goals and with no concept of what it is trying to do or where it is going. I say, Mr. Speaker, that it is a sad day for Canada that a government starting a new term of parliament has nothing better to offer the Canadian people than this sterile reorganization of departments without any clear indication of what those departments are supposed to accomplish or what the Canadian people can expect them to achieve.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I have the pleasure to take part in the debate on Bill No. C-173. This very thick bill contains all kinds of clauses, namely provisions to set up new departments.

Mr. Speaker, I feel compelled to say that the new departments will certainly not straighten out the present economic situation, which is upside down and maladjusted, because the more we set up new departments, the more we increase government expenditures which make taxation necessary, and in turn, taxes reduce the purchasing power of the people.

To ensure the welfare of society, it has to be left with some purchasing power consistent with the economy and the gross national product. However, by setting up new departments, we upset the balance, we tax and overtax the people so that new departments can exist, new civil servants can be assured of salaries of $15,000 to $30,000 and new positions can be created for new university graduates. That will be the result of the new departments. They will not change anything to economic conditions. The more departments we establish, the more troubles we create in the economic area.

• (4:30 p.m.)

Mr. Speaker, I am strongly against the creation of those new departments which will be of no help to the economy and will contribute to reduce the purchasing power instead of increasing it. It is not the establishment of new departments that prevents industrial development, but the limitation of the people's purchasing power. In fact, industries know what to do and what to produce even if they do not have money. But the people have no money to buy their products. There is no lack of production in this country, Mr. Speaker. We have accumulated a production surplus in 1968. We have been accumulating surpluses since 1944, even since the war, and those surpluses are being used up through exportation only or in time of war.

Mr. Speaker, if Canada's economy is to operate freely, normally, the purchasing power must be left in the hands of the Canadian taxpayer, who is the main consumer. We are facing a problem of consumption, not one of production. It seems they want to solve the production problem through the creation of new departments. They want to produce more, when we do not know what to do with the present production. The Prime Minister (Mr. Trudeau) and his colleagues know that the industry can produce more, but the fact remains that there are a million unemployed people in Canada who do not produce at the present time.

If we had a sound economy and a reasonable purchasing power, the industry could function because the purchasing power would move constantly in the hands of the taxpayers and would keep our industry and our economy moving.

Mr. Speaker, there are several things in Canada that must be changed but it is only a question of balance. We have no problems in the field of production; our problems are now located at the level of the consumer. I do not know whether the departments will engage in production. I do not know whether they will provide for transportation.

A government exists only to balance the economy of a nation, and not to take the money of the taxpayers and to spend it for them. It does not exist to create all sorts of troubles for the taxpayers or to prevent them from investing, from developing their industry, or to prevent all sorts of economic agencies from expanding. These problems would not exist if the purchasing power was constantly balanced with production and consumption.

It is in this field that changes should be made in order to improve our economy.

I feel I am completely in order and even in agreement with the views expressed by the Prime Minister this afternoon by suggesting very briefly as part of our regular parliamentary proceedings, a somewhat original way to present the problem in order to grasp the easiest, most efficient, most constructive and most realistic solutions.

I do not want to put the ministers to shame but may I tell them very frankly that, so far, they have only found and given answers to imaginary problems. The basic problems have not even been located and they are applying poultices right beside the sore spots. How could we find remedies to problems which are yet to be diagnosed? How can we heal our wounds by putting bandages on the healthier parts of the body?

That is exactly what has been going on since June 25, 1968, since the day the new government came to power with a full majority, something that had not been seen in seven years. The government has simply raised the rate of interest on capital belonging to millionaires. They are now paid 7 per cent instead of 5 per cent interest, which is $20,000 more every year, for every million, without any additional work, but that is done by taxing all Canadian citizens even those who get no revenue, either from their work, or from their capital.

The salaries of the best-remunerated civil servants are being increased. For instance, those who were making $50,000 a year, will get $75,000; those who were earning $35,000 will now earn $45,000 and those who were getting $26,000 will now have $35,000; in addition, the tax-free allowance will be increased from $6,500 to $8,000 and so on.

The creation of new departments is the wrong way to balance our economic system, because no one wants to put it in balance, no one wants to take the time to study the situation and place our economy on a pivot.

But in the meantime, the cost of living increases, for every child, every student, every sick person, every blind person, every invalid, every pensioner, every mother of a family, more than 13 million citizens without income must pay more for their basic needs.

In the meantime—and of this the ministers and the members of the Canadian Parliament are aware—we see the salaries of our steadiest

wage-earners going up, as well as the rates of interests charged by money lenders of every category. Why don't civil servants do something about it? It seems to me that they could do so, since there are now 21 departments.

To summarize, 8 million citizens-producers through their salaries and their interests, earn increasingly high annual incomes, while 13 million dependent citizens, children, students, pensioners, unemployed, mothers at home, and the sick, see the cost of living going up without getting any increase in the income they are already drip-fed by the civil servants of the department of social or antisocial welfare.

I am not accusing anyone. I am only showing the obvious results of an economic policy which dates back to about 1944, the end of the last world war, to the decisions that stemmed from the Bretton Woods agreements, in July of 1944, and to the introduction of family allowances, which have been the same for the last 25 years. I am not disputing the fact, I am only asserting it. And my observations are so accurate that they reveal immediately the real source of the problems as well as their solution, for the problems are diagnosed and localized in the facts themselves.

Mr. Speaker, I ask the ministers and all the members who represent 21 million Canadian citizens to realize that I am a Canadian citizen and to forget, for a moment, that I am a member of the opposition. They will then understand that we have all to suffer and to enjoy the economic guidance which our government is forcing upon our great Canadian businesses and which will be reflected in our villages and towns as well as in the slums of of our large cities, such as Montreal, Toronto, Halifax and Vancouver.

In a twinkling, Mr. Speaker, for the benefit of 21 million Canadians, without hurting anyone, we can re-establish and maintain the economic balance between family and corporation incomes.

This is where we must intervene. The officials must look after that problem. They must consider if there is some balance among the various classes of society.

• (4:40 p.m.)

Revenues, expenses and profits must be balanced. No organization in the world can operate if it does not balance its revenues, expenses and profits. But in Canada, this is of no concern. New departments are simply established and the taxpayers' money is spent to no purpose, because if the Canadians do not have a purchasing power, departments will not operate.

The present Minister of Forestry and Rural Development (Mr. Marchand) will have a fine department. He will have many things to do, but he will not have the money to do them. Who, in that department, will be responsible for increasing the purchasing power so that our economy will be balanced?

Mr. Speaker, a balance must be established in the case of requirements, costs and prices. There is no one looking after this situation at the present time. The cost of living is rising because of increased salaries and interest rates. Money is loaned at 9, 10 and 24 per cent because the government lets exploiters bleed the people. Canadians as a whole are being exploited. Inflation is attributable to a few individuals who take advantage of the present system. They are allowed by the government to increase their interest rates which in turn increase their personal incomes totalling billions of dollars.

I say, Mr. Speaker, that in 1968 capital gains amounted to $28 billion and $40 billion were expended out of a total production worth $68 billion. This tremendous economic imbalance must be made to disappear. Nothing is being done about it. New departments intended to establish other agencies are being created. Farmers and industrialists will be told they are ignorant and that "smart alecs" with university diplomas will show them what to do, what to produce and how to export. For instance, if there are no funds available for production or consumption, nothing is done about it.

A balance is essential between management, employees and dependents. Nothing of the kind is provided with the establishment of the new departments. Moreover, there must be a balance between capital, labour and the right to live. The bill makes no provision whatsoever for that balance. It simply provides for expenditures on the part of the government side; as far as the people are concerned, it provides for new taxes.

How can we acheive balance with such plans and rataplans? Balance must exist between production, consumption and capital ization. Actually, in Canada, there is too much capitalization and not enough consumption, for which there is no money left. Almost everything relates to capitalization which, incidentally—I have previously quoted figures in the house in that connection—is protected by the State.

Large capitalizations are realized, on which no tax is levied. There are direct and indirect capitalizations. Some capital is set aside; in fact, the State allows reserves on which no tax is levied. Small wage-earners are taxed; their pay envelope is emptied. They get only the stub of their pay cheque. They have nothing left. Therefore, Mr. Speaker, what is there to improve in Canada?

I have before me an article published in the June 24, 1968 issue of *La Presse*. It is about a report on bankruptcies in the furniture retail business throughout Canada. I quote:

> During the first nine months of 1968, last period for which statistics are available from the Dominion Bureau of Statistics, a total of 89 furniture and electric appliances stores went bankrupt in Canada. Their deficits totalled $6,651,000. This amount is double that of the same number of bankruptcies during the same period in 1967, the value recorded for that period being $3,430,000.

Therefore, the number of bankruptcies in the furniture business would have more than doubled in a year! How can the industry survive? What is the department going to do in such a situation? Will the department give the people more purchasing power so that they can buy the products and keep the stores from going bankrupt?

Businesses are going bankrupt because they cannot sell their goods. They are compelled to sell them at a loss, and then have to go into liquidation.

This happens all over Canada not only in the furniture industry, but in all industries generally, except big businesses operating with millions of dollars and who are supported by the government and protected by taxes and duties.

There are new departments to deal with regional disparities, but the industries already established cannot operate because they do not know if they will find a market for their products.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I rise on a point of order.

Mr. Latulippe: What is the trouble, Mr. Speaker—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for St. Boniface rises on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I would like only to point out that the hon. member speaks so rapidly that I have trouble following him. Could he repeat one of the things he has mentioned?

The Acting Speaker (Mr. Béchard): Order, please. I think that the hon. member for Compton has duly noted the remarks of the hon. member for St. Boniface.

Mr. Latulippe: Thank you, Mr. Speaker, I apologize, indeed, for speaking a bit fast. As a matter of fact, one does not always realize that simultaneous interpretation is in progress and that other people want to listen. I am going to try and speak more slowly in order at least to enable hon. members to understand and to catch the main points of my argument on the situation of our economy.

Then, those 21 factors—

The Acting Speaker (Mr. Béchard): Order. Would the hon. member be kind enough to speak more slowly and to limit his remarks to the bill now before us?

Mr. Latulippe: I think, Mr. Speaker, that I am complying with your suggestion, since the bill provides for the setting up of new departments which are intended to administer the nation's business.

Since the state does not produce anything and that its only task is to administer the country, it is only fair that it should do its job equitably, in such a way as to allow Canadians to live reasonably well in a country of plenty.

At all events, Mr. Speaker, I shall try not to depart from the object matter of the bill and if you think I am going off the track you will only have to remind me again.

These 21 factors of our personal, familial, social and national economy must be kept in balance at all times, under the learned guidance of a government aware of its responsibilities, within the framework of our present monetary, economic and political systems and our constitution.

We do not want to change anything, to upset anything, because our present economic system is good, in spite of some abuses that must be corrected. Hon. members on the government side should understand us when we say that we are in favour of credit, rather than ignore us.

• (4:50 p.m.)

They will not listen to us because they think we want to upset everything, but we do not want to upset anything at all. We want to keep everything which is good, which is of service, we want to keep the agencies which are functioning well. When these federal

agencies do everything they can to be of service, we give them credit for it. We do not object to that at all but we do object to the setting up of new agencies, new departments which are going to cost millions when the people already lack the necessities of life and what they need to keep the country's economy working properly.

In fact, it is not by taking from the people its capital and by putting it into the hands of officials earning $25,000 to $50,000 a year that we are going to keep our economy in operation.

There are enough departments at the present time. The point is to guide them towards sound goals, a complete balance of our economy. Our present departments, with their qualified officials are in a position at the present time to perform reasonably this task so as to bring about the development of our citizens.

Such principles are clearly set forth in the Universal Bill of Rights passed by the United Nations on December 10, 1948—20 years ago—and in the Canadian Bill of Rights passed by this house on August 10, 1960, which can be found in chapter 44 of the Revised Statutes of Canada.

It would be so easy to bring these great principles into concrete form through technical legislation adapted to the intellectual capacities of ministers and hon. members.

That is the point I wanted to make, Mr. Speaker. I believe all members will agree with me. Our economic chariot has a large wheel and a small wheel, and it is turning round in a circle. Instead of bringing the small wheel to the size of the big one, so that the chariot may go straight, all we do is to reduce more and more the size of the small one, and the more we do so, the more we turn round in a circle. The new departments will do nothing else but reduce the size of the small wheel of the economic chariot, which means that we will keep on turning round in a smaller circle. It is the only thing those new departments will do, I am sure.

Included in this bill, Mr. Speaker, is the question of credit. We may refer to personal credit, family, municipal, provincial, federal, national or international credit, because it has always something to do with finance. No matter what kind of credit we are talking about, personal, family, social, municipal, provincial, federal, national or international, it must first of all be human, logical and intelligent. Whether we have to do with the personal, family, social, municipal, provincial, federal, national or international capital, it must first of all be human, logical, intelligent, suited to man and his material, intellectual and spiritual nature.

Such is the task we should get down to, that is what, according to the Bill of Rights, we should emphasize, consider and put into practice. Credit too must be logical; it must enable us to fulfill the purpose for which credit or capital was created, or legalized. And credit, that economical fact, must be intelligent too; it must meet efficiently the needs of the human being.

All men are created to live in a community, in an ascending hierarchy, the highest degree of which, above ministers, senators, governors, presidents and members of parliament, kings and princes, popes and cardinals, is God himself, sole creator of all visible and invisible things.

Mr. Speaker, to speak fairly, in our society, one must start by knowing what is a human being and, if we adopt laws, it is for him. Therefore, it is to help the Canadians to grow, to prosper and to fulfill themselves that we legislate, and not to trouble them, to burden them with mortgages, to get them into debts and to let them live in uncertainty. Our present system is an uncertain one in which all Canadian citizens are concerned, taxed and taxed again extremely. It is no longer possible to tax those citizens because it is taking the bread out of their mouth. However, there is bread and wheat in Canada. We do not lack anything but we are not able to get the upper hand, to put together the methods and the techniques that are necessary to get our economy to function properly. We find it impossible to fit the economic chariot with wheels of equal size to enable it to follow the right path and to render a service to everybody from the smallest to the biggest.

The government must administer the common weal and if possible go too far in the society, if there are enormous capital reserves that are not taxed, it should see to it. It is not the new boards that will see to it because they have no business to intervene in this field. This is why I would ask the Minister of Finance (Mr. Benson) to intervene, with all his organization, in order to take away the surpluses where they exist and to distribute them where there is need for them.

We have 21 million Canadians in Canada. This means we need buying power for 21 million people. If we have 13 million people

lacking this buying power, it is up to the government and to the ministers to balance the economy, so as to allow every citizen to have whatever he needs to fulfill himself. In that respect, socialist or communist minded laws will be of no avail because they deprive the individual of his freedom. The individual was born a free man and a free man he must remain as long as he does not interfere with the freedom of his neighbour.

I would have much more to say, Mr. Speaker; however, I will just ask hon. members and the government to think it over, to consider the economic position of Canada and to find out what is wrong with it.

The answer is not to increase the output of an industry by mechanizing it, thus putting three others out of business. Nor is it to subsidize an industry, employing 10 people while another one employing 100 workers is compelled to go out of business because it cannot sell its products. This is no answer. As everybody knows, today industry depends on science, on technology and hardly on manpower. Industry will never be the answer to the problem of manpower. The answer is elsewhere. Industry does not pay salaries which enable citizens to enjoy a decent living. For an output of $10,000, salaries average $1,500; and with a salary of $1,500 you cannot buy $10,000 of products. This is a truism. One need not be a genius to understand that.

Once more, Mr. Speaker, I urge our ministers and our officials to assume their responsibilities so that we may give our people the benefit of our capital in circulation instead of wasting it on salaries to employees.

I am not against university graduates, I am not against high-ranking officials, but I think we have enough of them at the moment. Let those who are in office assume their responsibilities and discharge their duties properly since they have all the qualified personnel they need.

The dissatisfaction of society is not due to the civil servants, but rather to the fact that families do not have what they need to live decently. Everything is there to meet their medical or housing needs except money, because with a 10 percent interest on loans, housing construction is restricted. That is where there should be real control. A managed economy is acceptable in the field of housing, but instead the sales tax on building materials is increased to 12 per cent and the rates of interest on loans for housing are also raised.

• (5:00 p.m.)

[*English*]

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

[*Translation*]

Has the hon. member finished his remarks?

Mr. Latulippe: Yes, Mr. Speaker, I have finished but I oppose this motion.

[*English*]

The Acting Speaker (Mr. Béchard): 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. Béchard in the chair.

The Deputy Chairman: Order, please. House in committee of the whole on Bill C-173, an act respecting the organization of the government of Canada and matters relating or incidental thereto. As it is five o'clock I do now leave the chair.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Béchard): 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 has passed the following bills without amendment: Bill C-148, an act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation; and Bill C-152, an act to amend the Veterans Land Act.

PROCEEDINGS ON ADJOURNMENT MOTION

The Acting Speaker (Mr. Béchard): Order, please. It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Moose Jaw (Mr. Skoberg)—Canadian Pacific Railway—request for survey of train accommodation; the hon. member for Algoma (Mr. Foster)—Transport—subsidies on intraprovincial ferries.

The time being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

Private Bills

PRIVATE BILLS

GILLESPIE MORTGAGE CORPORATION

Mr. Douglas A. Hogarth (New Westminster) moved that Bill S-22, respecting Gillespie Mortgage Corporation, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, this bill is brought before the house in order to change the name of Gillespie Mortgage Corporation to City Home Mortgage and Savings Corporation, and, in French, Habitat Urbain, Société d'Hypothèques et d'Épargne. The company was incorporated by statute in 1955 under chapter 70 of the statutes of that year. It was owned by a well-known Vancouver businessman, Mr. Harry Gillespie, who operated the company until 1960 when he went into semi-retirement. The company remained dormant or inactive until 1967. In that year an agreement was effected between Mr. Gillespie and Home and Dominion Investments Limited under which the Home Company agreed to purchase all the shares of the corporation. The Home Company was owned by a Mr. Pyper of Kamloops, British Columbia, in the main. All the other shareholders of the company are Canadian citizens.

Part of the arrangement with respect to the purchase of shares is that, since Mr. Gillespie owns other concerns, the new owners of the company will change the name of the company so that Mr. Gillespie's other companies will not be confused with it. All aspects of the purchase have been concluded, with the exception of the change of name.

Essentially, the bill is very simple. Clause 1 changes the name of the corporation. Clause 2 empowers the company to contract under the new name and binds the company to any contracts heretofore made under the old name. Clause 3 states that nothing in the bill affects the existing rights of the company. I urge the house to consider this bill in committee, Mr. Speaker.

Mr. Peters: Mr. Speaker—

Mr. Hogarth: Mr. Speaker, may I rise on a point of order. I have spoken to my hon. friend and to other hon. members, and I understand it is their intention to talk this bill out. I further understand that members of the hon. gentleman's party have no particular objection to this bill but, because of provisions in the rules, wish to utilize the time available at present. May I therefore suggest we call it six o'clock?

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to accept the suggestion of the hon. member?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): I suggest we revert to committee of the whole.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the Government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

The Deputy Chairman: Order, please. I am advised we must wait until the Royal Assent. Is it agreed that I rise and resume the chair?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): Order, please. Is it agreed that we suspend the sitting until 5.40 p.m.?

SITTING SUSPENDED

At 5.10 p.m. the sitting of the house was suspended.

• (5:50 p.m.)

SITTING RESUMED

The house resumed at 5.40 p.m.

THE ROYAL ASSENT

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

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable House attend him immediately 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 Customs Act.

An Act to amend the Export and Import Permits Act.

An Act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation.

An Act to amend the Fisheries Improvement Loans Act.

An Act to amend the Veterans Land Act.

Mr. Speaker: May I suggest the house return to the committee of the whole?

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of the whole of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

[*Translation*]

The Deputy Chairman: It being six o'clock I now leave the chair until eight o'clock.

At six o'clock the house took recess.

[*English*]

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House in committee of the whole on Bill C-173. The committee will turn to part I, fisheries and forestry. Shall clause 2 carry?

On Clause 2—*Department established.*

Mr. Davis: Mr. Chairman, Bill C-173, an act respecting the organization of the government of Canada, goes a long way toward bringing the administration of the nation's non-renewable resources together in a single department. Our fisheries are renewable and our forests are renewable. Both are very important national resources. Bringing them together in a single department makes sense, because good management in both cases involves the same principles of conservation. It makes sense also because these two great resources are often found in close proximity one to another.

Physically and economically speaking, our fisheries and forest resources have a great deal in common. Often they are found in, or are dependent upon, the same great watersheds. Usually a healthy forest resource means a healthy fishery. Often the wise harvesting of our trees serves to perpetuate our fishery both from a commercial and a recreational point of view.

There are conflicts, of course. The thoughtless spraying of trees to control insects and disease damages our fisheries. Also, a "cut and get out" philosophy in our forests can lay waste, not only a great deal of future forest land but also many miles of our best fishing rivers and streams. So, we have to be careful. We have to manage the total resource, the forests and the fishery, with the same general idea in mind, that of maximizing the total benefit to the Canadian people as a whole.

In talking about our fisheries and forests, I am tempted to add wildlife. I have noted, for example, that the Glassco royal commission on government organization recommended that wildlife be included along with the fisheries. If wildlife were included along with fisheries and forestry, we would have a complete package. We would bring most of the nation's renewable resources under a single administration, under a single government department in Ottawa. We would have, in a single department, all of the "wild" living resources whose reproduction and growth have a great deal to do not only with the improvement of our general environment in Canada but with the preservation of our great outdoors and the long run health of Canadians.

Jurisdictionally, we have an interesting contrast here. Fisheries, under our constitution, is totally a federal matter. Forestry, meanwhile, is largely provincial. Fish, collectively, are a national resource. Trees, in the main, come under provincial jurisdiction. Hence the name of the new department, Fisheries and Forestry.

The word "fisheries" comes first because we in this parliament, our national parliamentary institution, have all the powers necessary in order to not only carry out research on fish as a resource but also to conserve, manage, process, and market, fish and fish products.

The word "forestry" comes second in the name of our new department, Fisheries and Forestry, because here we are confined, in the case of forestry, largely to the role of research. The federal government's role in research is very important. The industry of ideas, research, in effect, knows no boundaries. It is therefore important for us to do collectively, and without regard for our provincial boundaries, as much research as we can at the national level.

But when it comes to the administration of our forest resources, the provinces are paramount. It is up to the provinces to say which trees are left alone and which are cut down. It is up to the provinces to say which companies do, and which do not, get tree farm licences, and so on. It follows that the protection of this resource, in the sense of the prevention of disease, insect damage and forest fires is basically a provincial responsibility, even though the federal government may from time to time help out in this respect.

I have said that the federal role in respect of forest research is a dominant one. It is big relative to that of the provinces. The federal government spends, roughly speaking, one dollar on forest research for every dollar that the industry spends on research and development. For every dollar the federal government spends on forest research and development, the provinces collectively spend about ten cents. So, the federal role in respect of research and related development is a large one indeed.

The federal government's forest research bill adds up to about $18 million per annum. This figure appears small at first glance when compared with the total value of our forest products, which currently is about $5 billion per annum. In other words, less than one-quarter of 1 per cent of the national income is being spent by the federal government on forest research and development. One half of one per cent, is the figure for government and the forest industry together. This figure is low compared with many industries. It is low compared with agriculture, which in this country spends about three-quarters of one per cent on research. In the case of mining, the comparable figure is 1 per cent or roughly double the forestry rate. In the case of secondary manufacturing, it is about 3 per cent. In the case of certain growth industries such as the chemical industry and the electronics type industries, the figure is upward of 5 per cent of their total sales which goes to research.

[Mr. Davis.]

• (8:10 p.m.)

To repeat, in forestry we spend about one quarter of 1 per cent federally and a comparable figure is spent by industry, totalling one half of 1 per cent of the gross sales of the forestry industry. So, the total effort in Canada on forestry is low relatively speaking, and as compared to other industries and even the federal effort which is roughly half the forestry total, is small in over-all industrial terms.

Now, I should like to turn to fisheries, where our research effort is a large element of the departments responsibility but is not the total picture because, in the fishery, where we have national pre-eminence we are responsible also for conservation, for management, for processing and often for marketing as well. Confining my comments for a moment to research, the federal effort mounted through the Fisheries Research Board and through the Department of Fisheries itself is of the order of 5 per cent of the gross sales of the commercial fishing industry in this country. So, you can see that the total research effort in the fisheries area is much greater proportionally than it is in forestry.

As I have said, the responsibility of the federal government in the fisheries area includes development. We spend in total about $50 million a year on fisheries. This $50 million should be viewed in the context of the total output of the commercial fishing industry of about $400 million. In other words, roughly $1 is spent by the federal government on research, development, conservation, management and so on, as compared for every $8 of total sales of the product. If I were to confine the calculation to raw fish, to the fishermans income, the ratio would be one in four. So the federal taxpayers role in respect of the commercial fishery in Canada is a very substantial one indeed.

The roles of the federal department include inspection, which is very important particularly in connection with the maintenance of the quality of fish. The good reputation of fish as a food is dependent on quality and hence on our inspection service. This is true especially in the case of freshwater fish caught mainly on the prairies and in respect of a number of our groundfish products on the east coast. The Department of Fisheries, particularly in recent weeks through the fisheries price support legislation, has also entered the market to a greater extent than ever before. As a result of legislation which was passed recently, a federal agency is being set up to

act as a single seller of freshwater fish, principally in the United States.

The fisheries price support legislation is effective in respect of the Great Lakes where the federal role has been to stabilize the price of the freshwater fish from that source. We are looking ahead to 1970 when the federal government will, under federal price support legislation, stand ready to buy frozen groundfish products, to bid the price up in the market and to stabilize the price, particularly to fishermen, for many years to come. So, the Department of Fisheries is concerned not only with the resource and with its optimum management but also with inspection, the quality of the product and the marketing process.

The management of the resource presents a problem, particularly in international waters beyond our own Canadian jurisdiction. Hence the importance of including as much water area under Canadian jurisdiction as possible. In the case of certain resources, including those in salt water which like the crab and the lobster extend to the edge of the continental shelf, we have the complete say as to what is caught, how much is caught, and how this catch relates to the sustainable yield from that source. But in the cases where we are competing with other nations, it is a catch as catch can situation, a no-man's land, an unregulated fishery.

I think it must always be the policy of the government to endeavour to bring order out of chaos in this particular industry. In the case of some treaties, we have managed to limit the catching effort of other countries, and in some cases we have had to limit our own catching effort. In those circumstances, it has been possible to develop the resource in an orderly manner, to maintain production and to get an economic yield from that particular fishery. However, these cases are exceptions rather than the rule.

We have endeavoured, particularly on the west coast and now also in the case of the lobster fishery on the east coast, to institute systems of licence limitation. We can only do this when the fishery in question is totally under Canadian jurisdiction and control. The main objective is not to limit the catch but to limit the amount of gear, the number of vessels, to the point where the income of the average fisherman is as high as it can be. Its administration should be such as to create a reasonable differential in favour of the fisherman relative to the income of the community in which he lives. The principal objective in licence limitation is to raise the income of the average fisherman, but it also has the effect of better conservation and the wise management of the resource itself.

There are other side benefits to the dollars spent on research, conservation and good management, than that of the commercial fishery itself. I am referring here to the sports fishery, to recreation. In many parts of North America today the investment in pleasure boats, in gear and in services for the sports fisherman is a multiple of the investment of the total commercial fishery in that area.

For instance there are six times as many privately owned sports craft on the west coast today as there are commercial fishing craft. The total investment in the sports fishery on the west coast is considerably in excess of commercial fishery. So, the dollars spent on the propagation of more fish of higher quality—in this case of salmon—also creates a benefit for the whole community. Therefore, the earlier figure which I gave of an investment of about $1 by the Canadian taxpayer for every $8 in commercial yield would have to be modified for this very considerable yield in pleasure and convenience to the sports fisherman and the pleasure boat owner.

Several hon. members have already spoken on this bill, and I would like to refer very briefly to their comments related to fisheries before I sit down. The hon. member for Compton (Mr. Latulippe) was concerned about the ever increasing expenditure by federal government departments. I would like to point out that the combined department of fisheries and forestry in 1969 will spend less money, fewer taxpayers dollars, on its administration than the two separate departments did in the immediately preceding year. The employment in terms of man hours of the work force in the department will also be down as compared to 1968.

The Leader of the Opposition (Mr. Stanfield) was concerned about growth centres, particularly as they relate to the expansion of the economy of the Atlantic region. He made a request that in the development of our resource industries we should not be unduly preoccupied with the idea that a few centres should be the only centres in the future to attract investment, particularly investment which can be influenced by federal government policy. I would like to assure him that in the case of the forest industry, and also in the case of fisheries, it will be the intention of the Department of Fisheries and Forestry to

make sure that the expansion of our resource industries takes place where it is most likely to be profitable to the owners of companies and more particularly to those who work in the industries and earn a wage either in the mills where forestry is concerned or as fishermen.

• (8:20 p.m.)

In other words, there will not be a conscious policy of directing new industry and investment to metropolitan areas. But I must also tell the hon. member that we shall be very concerned about improving the efficiency of both the forest industry and the fisheries industry in order to make them commercially viable, able to stand on their own feet and to get along with less federal aid in the form of subsidies in the future.

Finally, I should like to refer to the comments made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who talked about national objectives as distinct, so to speak, from departmentalised objectives. I agree we must always have national objectives and goals. These goals are unlikely to be spelled out under the names of departments such as that of Fisheries and Forestry. I think the principal objective of the Department of Fisheries and Forestry should be more comprehensive. Conservation in the sense of good management is such a goal; in other words, keeping the future in mind so as to yield the greatest possible return to those who use these resources, and at the same time minimize the burden on the Canadian taxpayer.

The management of fisheries, forestry and wildlife resources should be carried out in such a way as to extend their commercial use as much as possible and to increase their other values like recreation which only now are coming into focus as more and more Canadians are able to take to our woods and waters.

I have covered only briefly the activities of this department. I believe the department can expand in a meaningful sense in the direction of conservation and resource management. In the case of remote communities which may be abandoned in the future, small ones mostly, there is a great future in tourism and in recreation. My experience on the west coast has been that the abandoned fishing communities of a decade or so ago have now been occupied by a wave of tourists from the United States and by Canadians who are getting to know our coast better. I am sure this will happen not only on the west coast but on the east coast and on our inland waterways as well.

[Mr. Davis.]

Mr. Crouse: I welcome this opportunity to speak on Bill C-173 which will be known as the Government Organization Act, 1969. I listened with interest to the comments just made by the Minister of Fisheries and I hope a little later to make a few observations on them.

There are 15 clauses in this bill calling for new departments and amendments with regard to existing ones. We on this side are not asked to deal with these items on an individual basis; it seems to be the purpose of the government to bring in measures in wholesale fashion grouping fish and chips, telecommunications and postage stamps, industry, trade and commerce—which, we believe, should never have been separated by the Liberal government in the first place—and so on. The bill before us calls for the establishment of a Department of Regional and Economic Expansion, authority for which should have been sought in a completely separate measure in view of the vast area covered and the many complex problems involved.

The bill also calls for a Department of Supply and Services, amendments to sections of the Consumer and Corporate Affairs Act, a substitution for the National Health and Welfare Act, the establishment of a Medical Research Council, the establishment of a Science Council of Canada, the granting of corporate powers to the Royal Canadian Mint, an amendment to the Ferries Act, amendments to the Government Companies Operation Act, increases in the salaries of ministers and members of the Privy Council, plus changes in the Senate and House of Commons Act and transitional changes in ministerial functions.

As far as I am concerned, this bill is a legislative nightmare. It is impossible to deal with it in its entirety. It is the product, it seems to me, of a confused and uncertain government which can do no better than bring this hodge podge of legislative proposals to the house and dump it in our laps, saying, in effect: this is the best we can do.

Though it is true the present Prime Minister has only been in office since 1968, Canada has had a Liberal government ever since 1963 and the present bill is a sorry admission on the part of the right hon. gentleman of failure to organize the administration, in particular the various ministries, into an effective unit.

The first part of this bill, dealing with Fisheries and Forestry, is really a housekeeping measure. It moves the Department of Forestry away from the minister of rural development and places this important primary industry under the administration of the Minister of Fisheries. It is obvious that the government has been planning this move for some time because, since, the beginning of this session the book of estimates has listed the expenditures for fisheries and forestry under the heading "Department of Fisheries and Forestry". I do not oppose this change, but I have reservations about the manner in which the problems experienced by these two important industries can be related directly one with another, especially in the Atlantic provinces.

For example, when spraying was carried out in New Brunswick in an effort to control budworm infestation in the forests of that province, the spray was washed from the trees and carried to the rivers and streams, destroying large numbers of trout and salmon and creating considerable problems for departmental officials both federally and provincially. I cannot but wonder which hat the minister will wear when such problems come to his attention. Will he try to aid the fisheries or will he try to help the forestry people when a conflict of interest arises?

I note the bill calls for one deputy minister to be responsible for assisting in the administration of the combined Department of Fisheries and Forestry. Whoever fills this position will have to be knowledgeable in both industries, since every province of Canada counts either fishing or forestry, or both, among its primary industries. Then again, conditions in the fishing industry vary greatly as between one coast and another. It goes without saying that they are altogether different from those in the forest industry.

To all who are concerned over the present economic state of the fishing industry on the east coast, the announcement on Thursday, February 20, by the Minister of Fisheries in which he outlined the program of assistance for the groundfish industry was welcome news. The minister said tonight that the federal role with respect to the commercial fishery is a very substantial one. With this, I would agree.

• (8:30 p.m.)

I should like to point out at this point that some 75 or 80 per cent of all our fish production is exported. This is helpful in bringing foreign exchange to this country. It also helps our balance of payments problem. In other words, we are only showing good business sense when we spend something like 5 per cent—I believe that was the figure the minister gave—on research for our fishing industry.

The government's main objective, which was outlined a short time ago by the minister, is to bring about a permanent improvement in the marketing of Canadian frozen groundfish. In order to do this, the minister has proposed to take advantage of the fisheries prices support legislation by entering the market and initiating a purchasing program that is designed to strengthen and stabilize the market. It is planned to sell the supplies accumulated through ordinary commercial channels, and it is proposed to hold the reserve stocks until the export price is high enough to cover the basic costs of production in Canada.

These costs must include an adequate price to the thousands of Canadian fishermen in the Atlantic provinces who are completely dependent upon the fishing industry, who have no alternative means of employment, and who are facing serious financial difficulties while endeavouring to provide for the needs of their families in this inflated, high cost economy in which we are living today.

The guideline that has been suggested by the minister as a fair price to our fishermen is the average price paid for the years 1965, 1966 and 1967. I find no fault with this proposal, but I would point out that the minister's plan can only succeed if sales of groundfish are expanded both in Canada and in the United States.

The minister's proposal is initially a holding operation to enable funds to be supplied to the processors in order that they can proceed with the orderly marketing of their products without dumping them on the market at sacrifice prices. The fact that this government has finally shown some backbone, that it has at long last decided to recognize the regional disparities that exist in the Atlantic provinces, and that it has finally decided to aid these people by announcing a policy for the fisheries development, giving new hope to the people in the Atlantic provinces, has had a salutary effect upon fish prices. Instead of acting like a rudderless ship that is exposed to every wind and wave fisheries now has a sea anchor in the form of the government's announced policy to aid the industry in meeting the intense competition our processors are facing in our tradititional markets from foreign suppliers.

I think it is regrettable that this government, like the Pearson government that preceded it, waited so long before it took action; that it waited until some of the processors in the Atlantic provinces had to close their doors, until all the processors' funds had been spent and the fishermen had used up their resources and were desperately seeking aid while their debts piled higher and higher.

That was the situation, and the government cannot say that it was unaware of these desperate conditions because speaker after speaker on this side of the house who came from the Atlantic provinces made very effort to acquaint the government with the needs of their people and to encourage it to accept its responsibility by taking action to deal with this problem.

As I said earlier, part of the minister's program for the fishing industry is a holding operation, the success of which will depend upon marketing more of our fisheries products in Canada and the United States. To do this the Minister of Fisheries and Forestry will have to enlist the aid of the Minister of Industry, Trade and Commerce, utilizing trade commissioners and every sales minded person within the department in the hope that we can increase our exports of fish and fish products not only to our traditional markets but to other parts of the world. We must also put out better literature and encourage more people in Canada to eat more fish.

I suggest that while the literature that has been published to date has been helpful, it has lacked imagination. Perhaps I am being bold in making this suggestion, but I should like to suggest to the minister the adoption of a new slogan that would go something like this: "We dare you to be thin by consuming more of Canada's nutritious, non-fattening seafood". I ask the minister to try that for a heading and then to follow it up with a series of recipes that would be helpful to anybody who was desirous of losing weight. Certainly, this sort of nutritious protein food is very helpful to anybody who is trying to follow a diet and take off a few excess pounds. However, I leave that suggestion with the minister.

It is my understanding that a study of the marketing of fish in Canada is presently underway, the cost of the study being shared by the industry, through the Fisheries Council of Canada, and the federal and provincial governments. To date we have heard nothing of the results of this study. I hope the Minister of Fisheries will find it possible to give the house an interim report on this matter in the not too distant future.

While we are on the question of surveys, I understand that the Atlantic Development Board was conducting a study in depth of the marketing of Canadian fish products in the United States. However, this board has now been swallowed up by the proposed department of regional development and will be replaced by an advisory council, as proposed in the bill, to be called the Atlantic Development Council. I cannot help but wonder whether this study has been finalized and, if so, whether a report is available. If the study has not been completed, then have the funds for this work which had been granted to the Atlantic Development Board been returned to the minister of regional development and handed over to the Minister of Fisheries and Forestry so that this very worth-while project on behalf of the fishing industry can be completed? Perhaps the minister would comment on these matters, which have always been important but which are even more important now.

The long term loans proposed by the minister as a special measure for the fishing and processing firms in 1969, plus the mid-term and long-term measures that are contemplated for restructuring the operations of the processors between now and the 1970's, will be helpful in improving our competitive position. Any program that makes for greater efficiencies in any industry cannot help but narrow the gap between production costs and market prices, thereby putting the industry on a sounder financial footing.

The Minister of Fisheries and Forestry suggested in his over-all program that beginning in the early 1970's it will be necessary to centralize our frozen groundfish operations in fewer growth areas. The minister is no doubt aware that such a program, while highly desirable from the point of view of efficiency, creates serious social problems for our people. I believe that the suggestion that we centralize our frozen groundfish operations was first made by the Atlantic Provinces Economic Council, and in view of the larger ships that are required to conduct a year round fishery, and also in view of the emphasis placed on the expansion and development of our offshore fishery, the trend toward centralized growth centres was a natural evolution in the fishing industry.

• (8:40 p.m.)

However, in my opinion, the change need not be so disturbing to our people socially as was first anticipated, providing that the moves are made gradually after careful planning by the industry and the provincial and federal governments. Communications are a vital part of this program. If good highways are built to provide easy access from country areas to the centralized fishing centres then fishermen and fish packers will have little difficulty in commuting to their places of work. This type of living is preferred by many Canadians; and though travelling to and from work for a considerable distance is time consuming, many prefer travelling instead of living in congested areas where rents for accommodation are generally very high. I may say, Mr. Chairman, that in today's society it is almost impossible to obtain suitable accommodation in the congested centres of Canada. However, before beginning on a program of centralized growth centres for the fishing industry, the federal government should realize that it must also be willing to share in the cost of highway construction in the provinces concerned so that easy access may be provided for people living in the country to established growth centres. I urge the government to give a problem of this magnitude top priority for discussion at future federal conferences so that the provinces and the federal government may co-operate on this matter to the best advantage of all concerned.

Finally I point out to the minister responsible for fisheries and forestry that his announced policy for the fishing industry has already helped in that it has given our people new hope where little hope had existed for the past two years. But this policy alone will not cover all problems of the fishing industry. If he and his officials are thinking in terms of developing centralized growth centres in the early 1970's, the time to start planning those centres is now. A study should be made of all existing plants processing fresh fish, salt fish and frozen fish blocks. The areas surrounding these plants should be studied in an effort to determine the distances travelled by existing fishermen and plant workers. I am glad to see the Minister of Public Works present in the house. I submit that the Department of Fisheries and Forestry ought to work in co-operation with the Department of Public Works to determine what will be potential growth centres, so that funds may be earmarked for suitable wharves, breakwaters, skidways, freshwater supplies, channel and harbour lights as well as suitable dredging programs to take care of today's modern trawlers.

The Minister of Fisheries and Forestry ought to be working in co-operation with the minister responsible for regional economic expansion on the type of planning to which I have alluded. There is one thing I should like to know, however. Who will take initiatives? Who will go ahead with these types of projects? In my native province of Nova Scotia, when the captain of a ship becomes ill and the mate takes over, unless there is agreement between the mate and the bos'n on the course that will be followed, that ship will go around in circles. If the ship is in port and the captain is not aboard that ship will not even begin its voyage. That may illustrate one of the weaknesses of this bill. It defines certain powers for the minister responsible for regional development; it gives certain powers to the Minister of Fisheries and Forestry. As I said at the beginning of my remarks, there are 15 parts to the bill, and powers are divided so greatly that one may wonder from which source the initiatives to begin much needed projects will come. I hope that as a result of the provisions of this legislation one minister will not say, "Let George do it," and shrug off his responsibilities. That is the danger inherent in this type of legislation. Organization and co-operation with all governmental departments whose activities are in any way related to the fishing industry should be the watchwords of the Minister of Fisheries and Forestry in the next few years. Only through well planned and well co-ordinated programs can the Atlantic fishery reach its full potential and play its role in the future growth and development of the Atlantic provinces.

Mr. Rose: Mr. Chairman, I intend to speak only on that part of Bill C-173 dealing with fisheries and forestry. My remarks will be confined to part I. I am sorry that the minister responsible for fisheries in the Conservative government, the hon. member for Malpeque (Mr. MacLean), is not here. I am sure he could have made some interesting observations on the matter under consideration.

Our party, Mr. Chairman, does not object strongly to the establishment to the new Department of Fisheries and Forestry. We do not see any sinister motives behind the desire to establish it. By the same token, we see no great point, in the light of past experience, in establishing it. No doubt the minister will justify the government's position. He is a

very articulate and plausible spokesman. That will not hide the fact that the Department of Fisheries has been shunted around from one part of the government structure to another. Formerly, it was controlled by the Department of Agriculture. We hope that in this bill we shall see more than mere structural changes. We hope to see the government display a change in attitude.

Although the minister is responsible for fisheries, including inland fisheries, I am disturbed at the idea that the Freshwater Fish Marketing Board may not have come under his aegis, since I submit it would have been logical to bring that board under the minister's jurisdiction. While fisheries are primarily the responsibility of the federal government, forestry comes under provincial jurisdiction to a large extent. Consequently, the new department will be mainly concerned with fisheries and not so greatly concerned with forestry matters. Both industries, however, are controlled by large monopolies and in both industries the employment potential is declining. On the west coast there are really only two fishing companies, B.C. Packers, which is part of the Weston food octopus, and the Canadian Fishing Company which is owned, of course, by New England interests. These companies co-operate one with another. They own other subsidiary companies, the most notable of which is Todd Brothers. Similarly, the forestry industry in British Columbia is controlled by three or four large forestry concerns which are mainly subsidiaries of United States companies.

A moment ago I mentioned declining potentials for employment in our two basic industries. The minister said the damage might be offset by encouraging more sports fishing in the area. Nevertheless, that will not solve the problem of what we ought to do with those who are displaced by the decline in these industries. May I cite an example, Mr. Chairman. It is clear that the inshore fishery of Newfoundland is in a difficult position.

Some hon. Members: Hear, hear.

Mr. Rose: Up the Bullet! I was in the province last week. The federal government is making available this year, as it did last year, $1.5 million for the relocation and assistance of those who are scattered on the islands surrounding the Newfoundland mainland. That indicates to me that there must be a real difficulty in the inshore fishery, since the federal government would not spend money to the tune of $1.5 million on programs of relocation and assistance if there were no difficulty. My concern is this. Many fishermen who were, independent—they may not have enjoyed a high living standard—will be shipped to urban centres and lose their independence. The rural poor may become the urban poor. I do not want the rural poor to be shipped to larger centres just to provide cheap labour for pulp industries and the various packing concerns. We must guard against that happening. To avoid that, we must upgrade the skills of those being moved and make them more competitive with others living in urban centres, As I say, it is no good taking fishermen who are independent and shipping them to urban centres under relocation programs if those fishermen have not been trained to meet the challenges of urban society.

• (8:50 p.m.)

In British Columbia this year, for various reasons, three canneries will have to close. One is at Sunnyside, the other is North Pacific Cannery and the third is the one at Klemtu. What is going to happen to these people who depend not only on fishing but also on cannery work for their livelihood? Many of these people are native fishermen. Will these people be once again forced to the lower part of the economic totem pole? I think we have to consider these things. I am told there are meetings going on now between the unions and industries to investigate possible retraining programs for these people, but the proposals seem ludicrous. As usual there is too little, too late. The suggestion being advanced by the department of manpower is that half the cost of this retraining should be paid by the department, one-quarter of the cost paid by the fishing companies and the remaining one-quarter by the union. Why should a worker who is being replaced pay for this retraining when he has already paid for it through his taxes? I do not object to the companies paying because, in my opinion, they do not pay their share of the corporate income tax. If they did, then I would feel this training should all be paid for by the department of manpower, as it is their responsibility.

But the essential question about joining Fisheries and Forestry under one ministry really boils down to this.

Will the basic philosophy of joining the Departments of Fisheries and Forestry under one minister be one of conservation or will it be one of continued exploitation? In other

words, will private interests take precedence over public interests? Fisheries interests and forestry interests have traditionally been antagonistic to one another. The forest industry has been guilty of severe crimes contrary to the interests of the fishermen. An example of this is the denuding of mountains, the "cut and get out" philosophy which is responsible for the flash floods which destroy the spawning beds. Another example is the logs being driven down the river destroying salmon beds.

The Department of Fisheries had the power to stop this rape of the salmon beds in the Stellako River, but they pulled their punches. The provincial interests concerned with logging moved in and; to hell with the salmon, the logs went down! Various native communities such as Greenville and Aiyansh, which depend for their livelihood on the fishing industry, are at the mercy of Columbia Cellulose. The responsibility for such situations is that of the Minister of Fisheries. He has the power to have the department put a great deal more effort into conservation activities rather than exploitation. Certainly, it is desirable to harvest our resources at the maximum yield, but this has to be correlated with the possible long term effects. Spawning grounds which survive river driving are threatened today by pesticides being sprayed on the trees which ultimately leach through the ground to the rivers.

I have attempted to give examples to the minister and to the house of how the logging industry and the fishing industry very often work at odds with one another. I am certain the minister is completely aware of the problems in this regard. I hope the minister will recognize that the people are concerned about the future of our resources.

Why not have a government policy to stop river driving? Why not compensate the fishermen for water pollution? The Minister of Agriculture recently introduced a bill under which farmers will be compensated for soil pollution. Your new department, Mr. Minister, gives you a tremendous opportunity to right many wrongs. It all depends upon which side you are. I know you are a reasonable, plausible, articulate and even eloquent man. I ask you to consider some of the suggestions which have been put forward by our party. Get on the job in connection with international fisheries treaties and stop talking about them.

An hon. Member: The hon. member should address the Chair.

Mr. Rose: The Japanese and Russian ships, Mr. Chairman, are invading the halibut fishery in British Columbia waters. I have received information that the halibut industry will suffer a $3 million loss of revenue this year. Plug the holes in the 12-mile fishing limit around the Queen Charlotte Islands before foreign interests have time to establish so-called historic fishing rights. Salmon licence limits should not be proceeded with as they will turn the fish boat business into something similar to the taxi business in many large cities where a car, because it bears a licence, sells for a price out of all proportion to its value. The vertical integration of the industry must not be contributed to by allowing Class A licence holders, notably the fishing companies, to purchase any more boats for approximately five years. This moratorium will prevent company control from happening.

On the subject of vertical integration, it would be helpful if fisheries improvement loans could be used to refinance mortgages now held by boat owners in debt to the fishing companies. The government should listen to the Prince Rupert Co-operative which owns no boats and runs the risk of being frozen out by a limited number of fishing companies and by ownership which is in the hands of interests not necessarily concerned with their welfare. They should listen to the Pacific trawler's and the fishermen's union. Because of the licence limits, the fishermen will be unable to tie up their boats for one year because they may lose their licences. We are likely to have more boats than ever chasing fewer fish.

Aid to the Atlantic groundfish industry was announced at the same time the transportation committee arrived in St. John's, Newfoundland. This took a great deal of steam from the Newfoundland Bullet issue. The government should make certain this aid does not get into the hands of the packers and the fishing companies. Some of it at least, should trickle down to the fishermen. One of the problems of the east coast fisherman is he does not get an adequate return for his fish because he is at the mercy of the fishing companies. Codfish selling in the United States for 26 cents a pound gives a return of 1½ to 2½ cents to the fisherman. This is not good enough. I think it is even worse than the return to the farmer.

The New Democratic Party, Mr. Chairman, sees much potential for evil and much potential for good in the fisheries and forestry reorganization and merger. However we must

insist, on behalf of the people we represent, that structural changes are not enough. A whole new system of attitudes and priorities must manifest itself. Eminent people such as Dr. McTaggart Cowan and Dr. Peter Larkin claim that the whole world's food chain is imperilled by chemicals scattered carelessly, such as defoliants in war and pesticides in peace.

• (9:00 p.m.)

The question then becomes much more than the cost of a few fish or of some esthetic value such as scenery. Our whole oxygen supply is threatened if we do not mend our ways. The minister has a responsibility to make certain that determined leadership is exercised so that all Canadians can see the government is dedicated to the welfare of future Canadians. He must resist stubbornly any efforts by the fast buck boys to destroy what is irreplaceable. Sir, we will all be watching.

[*Translation*]

Mr. Dumont: Mr. Chairman, we are informed that the house will study Bill C-173 entitled "Government Organization Act, 1969" providing for the establishment of a Department of Regional Economic Expansion with the object of insuring social justice and economic balance, according to the hon. member for Langelier who is the Minister of Forestry and Rural Development (Mr. Marchand). Such legislation would thus contribute to create a decent living standard for those who want to live outside large urban communities.

I would like at this time to remind the minister of his hope that his new department would assist certain areas to further their development.

For instance, let us consider the case of my own riding, the country of "white gold", as asbestos is sometimes called. Its mining would help in the development of this region if industries were established there, and the refining of this crude product would result, for example, in the manufacturing of asbestos shingles, insulating mineral wool and asbestos fibres used in the processing of fibro-cement.

I notice that this bill deals also with the designation of special areas and I quote:

> The Governor in Council may, by order, designate as a special area, for the period set out in the order, any area in Canada that is determined to require . . . special measures—

All these statements appear to be very well meant. Should these industries be established in the near future, our 400,000 unemployed would find work, especially those 200,000 who, as everybody knows, live in the province of Quebec. Besides, I think the government would automatically reach its intended objective which would rid Quebec especially of the terrorist activities we are witnessing at the present time.

Who will venture to think that we will be able to prevent such terrorist acts as long as there are economic disparities such as those which now exist.

The Deputy Chairman: Order. I will kindly remind the hon. member for Frontenac that we are now considering Part I of the bill which deals with the Department of Fisheries and Forestry, and not the Department of Regional Economic Expansion. The hon. member will have the opportunity to speak of regional expansion when we come to that stage of our proceedings. I would ask him to confine his remarks to the Department of Fisheries and Forestry.

Mr. Dumont: Thank you, Mr. Chairman, for your remarks.

Like the previous speakers, I was summarizing the bill and I was just coming to the object of this debate when speaking of the possibility of eliminating certain regional disparities.

As our agriculture is in an appalling state of stagnation, it would be advisable, for instance, to see to it that the province of Quebec is reforested that would be useful to farmers since such an undertaking would represent unusual wealth for the next 20, 25 or 30 years. Moreover, when I heard some hon. members deal with the problems of fisheries, freshwater fisheries and others, I was saying to myself that if we undertook intensive reforestation throughout the country, more fish might survive, because how many times have we not noticed that fish disappear as forest borders move back?

In that connection, I know that everyone who spoke before me recognizes that, in Quebec, people do not live on freshwater fish or miraculous draughts of fishes. But the fact remains that we can surely contribute to progress by supporting the resolutions capable of assuring the greatest development of those industries. In Quebec, we are faced mostly with problems of deforestation. We therefore invite the new minister to turn his attention to this crucial problem. At the present time, if there are 200,000 unemployed in Quebec, it would only be logical to hire them for reforestation work. This undertaking

would provide them with a job while ensuring for tomorrow the abundance that mother nature was good enough to give to our rich country which, unfortunately, was overexploited in the past. In fact, by thus misusing our riches, we have prepared the way for very serious problems which, today, force us to create new departments in order to remedy these difficulties.

Mr. Chairman, I do not wish to talk endlessly on these points, but I realized a while ago, while listening to those who spoke before me, that there is now in Canada a certain rivalry between the fishing industry on the west coast and the one in the Atlantic provinces. Some hon. members for Newfoundland and Nova Scotia were happy to learn that the fishing industry on the west coast had suffered losses. But since in Quebec we are level-headed people, who are willing to co-operate, let us join hands in order to make sure that each Canadian receives a sufficient income. Thus, we will see terrorism disappear and abundance reign in Canada.

[*English*]

Mr. St-Pierre: May I say in opening, Mr. Chairman, that the Minister of Fisheries is a gentleman for whom I have the highest respect. I think many of us in the house appreciate the calm, studied, very sane and common sense way in which he brings his case to the house from time to time. It had not been my intention to speak tonight except that the minister himself brought up an aspect of his department which I felt did deserve some comment from me. My comments will be brief.

He spoke of the importance of drawing base lines for establishment of a 12 mile limit of Canadian territorial waters. I jotted down his remarks at that time. This may not be them precisely, but I think I have the sense of them: "Hence the importance of delineating lines to contain as much water area as possible for Canada." This strikes particularly at a point on which Canadian governments for some time have shown very little but timidity and apparent indifference to the needs of fishermen on both the east and the west coast. As I intend to point out in a few moments, this apparent indifference is now extending to the question of sovereignty in the Arctic waters.

However with regard to the west coast, and I know the minister knows this well, the failure to draw the base line from the northern tip of Vancouver Island to the southern sections of the Queen Charlottes has left two very valuable fishing banks of the groundfish industry open to foreign invasion. Foreign fleets are in there in force, particularly Japanese and Russian. They are taking more fish than our Canadian fishermen and they are endangering the fisheries resources on these two banks in the Queen Charlotte Sound. They are doing so essentially because the Canadian government refuses to stir itself to draw this line from Northern Vancouver Island to the bottom of the Queen Charlotte islands.

• (9:10 p.m.)

I have spoken of an apparent indifference and timidity on the part of the government. If I did not use the word "apparent" in conjunction with the word "timidity" I use it now. It is to me seemingly rather timid if countries such as Ecuador and Iceland are capable of drawing lines to establish sovereignty around their coasts but we are not. Canada, with the longest coastline of any nation in the world, still has not established its lines despite the fact that we declared a 12-mile limit and drew some of these lines in 1964.

What I should like to refer to during these few minutes is the question of how much real concern there exists in respect of this important issue among those members who sit in the front benches across the house. As an example of this, let me deal with something which has arisen in the last few days as referred to in the public press and in the house. I have in mind the question of Canadian sovereignty in Arctic waters.

As hon. gentlemen probably know, the United States plans to send the ship *Manhattan* through the Northwest passage, sometime this summer breaking her way through ice without benefit of icebreakers. As far as can be learned Canada will not have an observer on the *Manhattan*. It appears that the United States disputes that we can hold Parry Sound, which is part of the Northwest Passage, as Canadian territorial water.

In this regard I asked a question yesterday of the Secretary of State for External Affairs and I should like to read that question and the answer which appear at page 5978 of *Hansard*:

> Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. In view of recent newspaper reports that the United States government does not fully accept Canadian sovereignty with respect to the twelve mile limit off the Arctic islands, will he inform this house whether our position on this matter is being made clear to the United States government?

The Secretary of State for External Affairs answered as follows:

Yes, Mr. Speaker. We have had a number of discussions with the United States government about the definition of our territorial waters and fishing zones. As I said, we do not always obtain agreement on our position, but we are pressing it as effectively as we can.

Yesterday in this house the minister said we were pressing our position effectively. As it happened, last night on a national television program, another person had something to say about this matter. I can name her as I happen to have been a colleague of hers for years. Miss Pat Carney of the Vancouver *Sun* had something to say about this matter. As I said earlier, I have considerable respect for the Minister of Fisheries as a minister. I can also say to the house that Miss Carney is an extremely accurate reporter and it is her custom to double check her facts. I consider her to be one of the most reliable reporters in this city.

Let me read a part of Miss Carney's report to the nation yesterday in respect of the Canadian position on Arctic territorial waters.

She said, and I quote, "one gets the impression that nobody in Ottawa has bothered to sit down and figure out what we should be doing in the Arctic. Officials cannot even agree on whether Parry channel lies in Canadian waters." I urge hon. members to listen to this statement and realize how four departments feel in this regard. "The Department of Indian Affairs and Northern Development, which administers the adjacent islands, is sure it does. The Department of External Affairs thinks it does, although a spokesman says the issue is fuzzy. External affairs minister Mitchell Sharp said in the house today that there are some points in dispute". Again to quote Miss Carney, "some transport officials insist that Parry channel is an international waterway outside our territorial limits because the entrances are between 40 and 60 miles wide, well in excess of the traditional three mile limit". The C.O.T. hasn't yet caught up with our position of 1964. And finally the Justice Department; "The Department of Justice has never heard of Parry channel."

In view of these facts can we believe there is real concern and real sense of purpose in the government in respect of this important issue involving national sovereignty over Canadian arctic waters? This will have a great effect on the welfare of our fishermen on both coasts. Therefore, I urge the Minister of Fisheries to impress upon his colleagues that this is a vital matter to the fishermen and the nation. I thank hon. members for their attention.

Mr. Marshall: Mr. Speaker, I welcome the opportunity to speak on this part of Bill C-173 which unifies or integrates the responsibility for forestry with the fisheries portfolio. I have serious reservations about using the words "unification and integration" because we are all aware of the chaos which developed when these words were applied to the change of our Canadian forces. I hope very seriously that the results of this change will not be as drastic.

In so far as the province of Newfoundland is concerned, this change is a very important one because these two natural resources are very closely allied in that province. I say this to emphasize the close relationship of fisheries and forestry to the needs of a great number of Newfoundlanders. I welcome this change because the forestry portfolio will now be the responsibility of the Minister of Fisheries who I feel is one minister who does not spend all his time dialoguing, but appears to be trying to use a common sense approach. His introduction of the prices support legislation in the groundfish industry is the only marked development or improvement I have seen in my short few months here in parliament. I hope that the promised legislation for the salt cod industry will be forthcoming very soon. I emphasize my concern because in another month Newfoundland fishermen will be preparing their gear for the coming season. Judging from their feelings and their experiences last year, which result from the weakness of their industry, there is very serious doubt about their willingness to bother fishing at all this coming season.

It is my hope that after so many years of the floundering attitude and approach of the minister's predecessors, we will see a marked and steady progress in this important industry. I am sure this change was the result of the realization of the critical state of this industry. The action was brought about by the sincere and lengthy appeal of my colleagues on this side of the house who emphasized the neglect of the industry in the Atlantic region over the past year.

When I emphasize the importance of the alliance of forestry and fisheries in Newfoundland I do so because over the years, due to the limited length of the fishing season, fishermen have turned to the forestry industry for employment. Therefore, I hope that the

minister will realize the important relationship of these two great God-given natural resources and the great contribution that can be made by intertwining his department's planning and studying. I note that in the annual report of the Department of Forestry and Rurral Development much time and money have been spent on various research programs and studies to develop our forest potential. I note, too, the specific problems with which we in Canada are faced.

• (9:20 p.m.)

I, therefore, hope there will be a concerted effort of communication while the change is taking place, so that we will not once again become overpowered with research studies, conferences, task forces, royal commissions, duplication and the ensuing waste which will result. I say this because all the research has been done and all the studies must be completed, if I can judge by the booklets and pamphlets that come flooding into my office daily.

I am deeply concerned, however, and I hope the government is also, with the infestation of insects which is causing a serious deterioration of our forests. I refer to the spruce budworm in New Brunswick and Ontario, the jackpine sawfly in Quebec and the balsam woolly aphid in British Columbia and Newfoundland. The hemlock looper has become a serious threat to our forests, and unless something is done very quickly this infestation will seriously affect the two main paper mills in the province, Bowater and Price Brothers Limited, which are by far the main employers of our work force in the central and western areas of Newfoundland. Indeed, if this disease is not stopped it will destroy the economy of a large portion of the province.

This infestation is nationwide. I am sure the minister is aware of the situation. I cannot stress forcibly enough how important it is to tackle the control of this disease which threatens our vast timberlands right across the dominion. This industry is so vital to our economy. I am sure that everyone in this house is aware of the importance to the nation of the paper industry as well as the other products of our forests.

The planners in the department of forestry are well aware of this threat and are recommending immediate action. I hope their advice will be heeded so that we do not have more serious problems in years to come. I hope, too, that the importance of federal-provincial co-operation will not be overlooked in the important areas of conservation and preservation of our forests. In this connection, need I mention the great hazard of forest fires, which must be controlled by continuing surveillance?

While on the subject of federal-provincial co-operation, I am concerned that, in spite of our vast timberlands in Newfoundland, the price of building materials in that province remains higher than in any other part of Canada. Most of our building lumber has to be imported. It seems very strange that a certain type of lumber that sells for $72 per thousand board feet in Montreal sells for $172 in Newfoundland.

I point this out, Mr. Chairman, to try and impress upon the government the need for the consideration of priorities. In a province where the need for housing is so great, and earning power so low, we must be cognizant of the danger of giving away our timber rights to ambitious speculators who have no concern for the province but are concerned only with their greed. I hope the minister responsible for housing will take note of this problem when considering his solutions to the housing shortage in Canada.

I should like to refer to the views of the Prime Minister on the interrelationship between departments. I express my concern with regard to equating the priority of the conservation of the potential beauty of the forests of Newfoundland with other pertinent factors. I refer to a proposed second national park in the Bonne Bay area of Newfoundland, where the cloak-and-dagger tactics of various levels of government and departments, and a complete lack of sincerity, will destroy a potential Mecca of forest development not equalled in the whole of the nation. Because of evasiveness and intrigue, it is impossible to determine from anyone in government the facts about an area which could be the means of bringing great prosperity to a province through the development of a national park that is considered to be of fantastic value by everyone other than those who can do some good for the Canadians they represent.

There is great potential wealth in our forests. The by-products of our timber resources do not stop at paper and building materials. The paper industry is finding new avenues of use for these resources, even in the field of clothing materials. The prospects in this field are only being tapped at the present time.

But the mere changing of a department will not cure the problems. The continued changing of names of agencies under departments will not solve them. The solution of our problems in all phases of government activity lies in the use of practical, common, business sense. This is a basic principle that seems to be forgotten in this way-out intellectual age. I refer to action.

I am sure, Mr. Chairman, that many other hon. members will have more to say as Bill C-173 progresses through the various stages. I conclude by repeating my hope that the Minister of Fisheries and Forestry will give this important, new responsibility the attention it deserves, for the benefit of all Canadians.

Mr. Groos: Mr. Chairman, I do not wish to take up too much of the time of the committee, because we are only on part I of Bill C-173, the purpose of which is to amalgamate the Department of Fisheries with the Department of Forestry and give the minister the job of handling both fisheries and forestry. Coming from British Columbia, this makes eminent sense to me. I think it will make eminent sense to many British Columbians. I congratulate the minister on his new portfolio and wish him every success in it.

We have heard a fair amount this evening about the commercial fishing industry. I would like to put in a plug for the sports fisherman, since no one has as yet mentioned his part in the industry.

Mr. Knowles (Winnipeg North Centre): The minister did.

Mr. Groos: Unfortunately, I was not here to hear the minister's remarks. However, I am very pleased to note that he was the first to draw attention to the importance of the sports fishing industry. This industry is particularly important in the province of British Columbia, where the dollar value of the sports industry is so great, when you take into account the fact that the value of the engines and sports equipment used in it far outweighs the net returns from the commercial fishing industry. As we all know, the sports fishing industry is growing and becoming more important all the time.

While on the subject of the sports fishery, I would point out that out west we have in the last few years heard rumours of a possibility that there may be a licensing provision applied to sports fishermen. I hope the minister will discard this idea very quickly, if it is ever brought to his attention.

Mr. Davis: Agreed.

Mr. Groos: This sport is one of the few things a man is able to do free these days, namely, to go out in a boat, cast a line out in the ocean and catch a fish. I hope we will be able to do this for nothing, certainly as long as I am a member of this house and the minister is Minister of Fisheries. I trust that the minister will retain the commercial fishing free zones in order to allow the sports salmon to escape from the ocean to the mouths of the rivers in sufficient quantities to replace their stocks as the years go by, thus permitting the sports fisherman a chance to catch these salmon free from commercial fishing operations which in the past have decimated entire runs of salmon in certain rivers. Over the years commercial fishing operations have so depleted the stocks of salmon available to sports fishermen that the annual take per boat has diminished very considerably.

I am very comforted by the action taken over the past couple of years by the minister's predecessor, who permitted commercial fishing free zones. I have noted an increase in the take per boat. In the area of southern Vancouver Island, in particular, this is very heartening to the sports fishermen. I know these people will be 100 per cent behind the minister if he continues, and expands if necessary, the commercial fishing free zones.

• (9:30 p.m.)

I would also like to commend to the minister's attention the development by private industry in co-operation with both the federal and provincial governments of the "plus tree program" which, as you know, is the development of super Douglas fir trees. As I understand it, the program is limited at present to the Douglas fir species, but in my opinion it certainly holds great promise for the future of our province which stands pretty high in the export of forest goods. As all hon. members of the house know, my province also stands very high in fishery products export and production. Of course, this will require continued co-operation among private industry, the federal government and the provincial government. As a conservationist, I am particularly heartened to note the co-operation that has existed and continues to exist between industry, the two senior levels of government and the sports conservation groups, all four

working together for conservation purposes, generally.

The amalgamation of the two portfolios, as I said, makes eminent sense to me for a number of reasons but principally because so much in conservation involves forests, fishing and water. With this joint portfolio it is you who will be able to bring new life—

The Deputy Chairman: I regret that I must advise the hon. member that he must address the Chair and not the minister directly.

Mr. Groos: I apologize, Mr. Chairman. It is the minister who will be responsible for the various conservation programs. I am most impressed with what has been done recently and I trust it will continue at an accelerated pace in the future. It certainly shows great promise if it continues to increase productivity at its present rate.

Finally, I should like to remind the minister that in future plans an oceanographic institute is to be established in the Victoria Esquimalt harbour area. I hope these plans will not be allowed to remain dormant for too long. An oceanographic institute in Victoria similar to the one in existence in the Bedford Basin at Halifax will be of great benefit, not only to our community but to Canada and the world at large.

Mr. Howard (Skeena): Mr. Chairman, I believe my colleague, the hon. member for Fraser Valley West set out very clearly and succinctly a number of points about which we are greatly concerned now and have been for some time. I want to touch on only one of the items initially raised by the hon. member for Fraser Valley West. But before I do so, I would like to make a brief comment in passing about the reference to the salt fishery by my friend, the hon. member for Victoria. I am sure he knows, as should everyone else on Vancouver Island, that there is a tremendous amount of abuse of our fisheries by people from the United States, almost with the aid and succour of the customs officials one would think. It is common knowledge that a number of United States citizens, some of whom even boast of it, supplement their pension income by coming over from Port Angeles to Victoria and engaging in sports fishing activities off the Qualicum Beach, Campbell River area. These people drive mobile campers and engage in a process of catching salmon by the dozens and canning them within these trailers or campers. Then, they take case after case of salmon back to the United States.

In many instances, they sell the canned products in the United States and boast about this means of supplementing their pension incomes. This practice has been going on year after year. No one knows the amount of fish that is caught in this way because it is done to some extent illegally and by subterfuge. The fisheries department knows about this, the conservation officers know about it, the provincial government knows about it, the customs officials know about it, and the general public knows about it, but no one does anything. It goes on and will probably go on this coming year. I am sure the minister has heard about it. With all the value that the sports fishery may have, this practice is destructive because it is an extraction from a resource that is already presumably overfished to a large extent on a commercial basis. Commercial fishermen whose livelihood depends on salmon find that their fishing season is curtailed, but right out in the bay or in the harbour they see so-called fishermen engaging in a semi-illicit commercial canning operation the products of which are taken back to the United States. So, with all the concern about the sports fishery, I think some concern should be shown about this practice.

However, the item with which I wanted to deal relates to the point raised by my colleague, the hon. member for Fraser Valley West. I refer to the straight baselines and the 12-mile limit, a point which was underscored by my friend the hon. member for Coast-Chilcotin. I think it is perhaps an almost accepted fact of political life that members of the opposition can spend many months and years in parliament complaining about a particularly grievous situation, raising questions about it and proposing solutions. However, when a member on the government side engages in the same sort of condemnation of government indifference, there is a tendency for people to sit up and take notice. The matter is extremely important. Because of the way in which the hon. member for Coast-Chilcotin approached it, I think the house owes him a debt. We should be grateful to him for having developed this into an almost non-partisan complaint. Ever since 1964 when the Territorial Sea and Fishing Zones Act became law, we have been making speeches in parliament and outside it and we have been asking questions of the government as to just when the straight baselines on the Pacific coast would be drawn. For years, we got answers from Mr. Paul Martin that we could not decipher, but none the less they were

answers which added up to nothing except perhaps that sometimes he was engaging in negotiations with the United States. We got answers from Mr. Robichaud, who was the minister of fisheries at that time to the effect he really did not have much to do with it because the matter came under the Department of External Affairs. He would always bow to Mr. Martin.

• (9:40 p.m.)

In those years, one thing was obvious. It was that the government took no action. In retrospect I think I can assert that it intended to take no action. That is the logical conclusion. One of the most ridiculous aspects of it then was the fact that here the Parliament of Canada had passed a law giving Canada the right to draw straight baselines by order in council, while on the other hand the Government of Canada was engaged in negotiating the position of those baselines with a foreign country. In other words, the government went to the government of the United States to ask: Where would you like us to put these baselines? Presumably, this is still the situation. As a consequence, almost five years later we still do not have any straight baselines on the Pacific coast, at least. Yet an absolute guarantee was given us by the government of the day in 1964 that these straight baselines would be in effect on the basis referred to by the hon. member for Coast Chilcotin, namely, from the northern end of Vancouver island to the southern end of the Queen Charlotte's.

The former prime minister, Mr. Pearson, said they would be in effect by the end of 1964. Well, 1964 came and went, and we had no baselines. The year 1965 came and went, and still we had no baselines. It is like a broken record. And even today no baselines have been drawn. The hon. member for Coast Chilcotin points out in extremely lucid language what is likely to happen to us if we continue much longer to procrastinate in drawing these baselines, one, where it was promised they should be drawn and, two where they should logically be drawn. In this situation a government promise and common sense happened to coincide. An hon. friend behind me says it might be done in time for the by-election. Mr. Chairman, I don't care when they do it, as long as they do it quickly. If the effect is favourable from the point of view of the government in the riding of Comox-Alberni, that will be all right, too. But something has to be done about it soon, because as every day passes foreign nations are putting themselves in a position where they can claim historic fishing rights in what would otherwise be Canadian waters.

We had enough of that when Mr. Pearson was prime minister, after the announcement was made that Canada intended to institute a 12-mile limit. The first thing the former prime minister said to the President of the United States was: Don't worry about it, because we shall guarantee that your historic fishing rights off the west coast will not be disturbed; we shall give in on this before we begin to do anything. This sort of thing is typical of the Liberal party and the Liberal government as far as our relations with the United States are concerned.

The other day a Japanese long liner was arrested for fishing within the 12-mile limit we now have, the one which follows the sinuosities of the coastline. Instances have been reported on a number of occasions on which fishing boats of the soviet Union have been observed fishing within area which would today be Canadian waters had the government of the day drawn the baselines where it promised to draw them. But all this has been ignored so far.

There is an item in the current edition of the *Pacific Troller* in which a west coast skipper, Gary Cadorin, describes an encounter with one of the vessels. He writes in precise detail, giving the geographic co-ordinates of his position, the weather conditions, the depth and other factors at the time. He tells how he was caught up in the net of a Russian side trawler, SRTM 8-461 of the Mayak class, 178 feet in length, and gives a lengthy description of what he saw. Other fishermen have had similar experiences. I asked the minister about this early in the session—on October 8, as a matter of fact. I asked him when it was intended to move along the lines I have just been advocating. Let me quote, in part, from his reply. I must say that those who have congratulated the minister on being articulate, on his precision of language and on his ability to say what he means ought to look closely at this statement. The hon. gentleman glossed over the whole issue completely and ignored the whole principle by saying, for example, that there had been no fishing by Russian fishing vessels within Canadian fishing zones.

That is probably quite true. But in my original question and in the presentation I made later on the subject I never claimed there had been. The minister says that by Canadian fishing areas he means areas within

12 miles of the Canadian coastline. The Russians have been observing our 12-mile limit so they are within their rights, said the minister. That is just a lot of rot, and the minister knows it. It is just a lot of bunk. The Russians have been observing our 12-mile limit, he says, and I have no quarrel about that statement being factual. But this simply means that the Russians have not gone in further than the 12-mile fishing zone which exists at the moment. But what about that area in Queen Charlotte Sound to which the hon. member for Coast-Chilcotin referred? What about the area which would be encased by a line drawn between the upper end of Vancouver Island and the Queen Charlotte Islands? This is the area we are talking about. We are not talking about the 12-mile limit which exists now as an extension of the sinuosities of the coast. There was no question of the Russians establishing historic fishing rights within our 12-mile limit as it exists today, and for the minister to have referred to that was, I suggest, an attempt to evade the facts, the use of a red herring to draw attention away from the point at issue.

The Soviet Union is certainly in a position of being able to establish historic fishing rights in an area we might include as territorial water if we were to draw straight baselines from headland to headland. The minister will not deny this; it has been documented on more than one occasion.

Perhaps I can sum up no better than by quoting from the publication *Pacific Troller* of February-March, 1969, because there is an article here which puts the matter in its correct terms as far as the fishermen of British Columbia are concerned, as far as British Columbians and all Canadians are concerned and as far as the minister ought to be concerned, too. Beginning at the bottom of page 3 of this publication, we read as follows:

> To us, Vancouver and Queen Charlotte Islands are not mere pinpoints of rock on the horizon, but two large segments of our mainland stretching along two thirds of our coast—not barren rock, but a continuation of our mainland populations, industries, business and security.
>
> To us, a mere gap of water between these two large bodies of land does not constitute a freeway for any foreign nation to legally enter, rape our fisheries and endanger the defence of our domains, from the security of a narrow strip of international water. To us, those waters lying within the outside headlands of Vancouver and Queen Charlotte Islands are our waters and we should declare our legitimate and exclusive right to utilize them for the security of our outer and inner domains, for commuting between two areas of our province, for harvesting our fisheries and for conservation of our fisheries.

• (9:50 p.m.)

It is too bad the minister did not say that and do something about it.

[*Translation*]

Mr. Corbin: Mr. Chairman, after speeches by five or six hon. members, I realize that several of my ideas and opinions have already been emphatically stated.

I personally feel that the merging of the Departments of Fisheries and Forestry is a step in the right direction to work out a closer control on the rational development of our natural resources. I agree with some of the comments made by the hon. member for Fraser Valley West (Mr. Rose) although I do not always share his opinions.

The natural balance with regard to the development of our forests creates serious conservation problems. I live in one region where lumber operations are sometimes done in an intelligent manner and always on a large scale, but sometimes with the most serious consequences for this natural balance.

For the past twenty years, freshwater sport fishing has declined considerably in our area because of the lack of consideration on the part of some developers who have no respect for nature and demolish practically everything in their way. The result is that our lakes and rivers and their fauna are on the verge of disappearing.

In my opinion, the stocking of our lakes and streams—not their poisoning (untranslatable pun on "empoissonnement" and "empoisonment")—should go hand in hand with the rational development of our forest resources. Creating and developing fish hatcheries ought, or at least should, closely follow lumber operations. I realize that many officials do not quite share this opinion.

Fortunately, considerable progress has recently been made in that respect in New Brunswick, through the establishment of an important salmon breeding station at Mactaquac. Consequently, two smaller trout breeding stations had to stop their activity and since then my area has been left without any suitable stocking facilities.

My own province of New Brunswick is also faced with the problems of fish extermination, owing to the uncontrolled use of insecticides to exterminate the spruce budworm. And heaven knows how much irreparable damage has been brought about by that practice which seriously affected the balance in nature. And, eventually, let us make no

mistake about it, we are the ones who suffer for it.

Uncontrolled exploitation of the forests should no longer be permitted. I congratulate the government and the minister, Mr. Chairman, for the way they are choosing to follow. Perhaps someday we shall be able to put the management of our national parks in the hands of the minister of Fisheries and Forestry. I think that this is very desirable.

However, I would ask the minister—and this is my last request—to establish a public information campaign more extensive than any undertaken so far on the conservation of our renewable natural resources, such as trees and fish, with emphasis on those species most popular for sport fishing. Some work has been done in this direction, but I think much more could be done.

Mr. Chairman, I hope that the minister will give serious consideration to this suggestion.

[*English*]

Mr. Harding: Mr. Chairman, it is very close to ten. Do you wish me to continue?

The Deputy Chairman: Does the committee wish to call it ten o'clock?

Some hon. Members: Agreed.

The Deputy Chairman: It being ten o'clock it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

CANADIAN PACIFIC RAILWAY—REQUEST FOR SURVEY OF TRAIN ACCOMMODATION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on February 12 I asked the Minister of Transport (Mr. Hellyer) whether he would initiate an investigation into whether or not there was adequate space for the travelling public aboard the Canadian Pacific Railway train "The Canadian".

In 1919 it was said in this house that if there was one thing that had bedevilled the public life of this country it had been the influence of railway corporations. Again, in 1936, it was said that the railways in Canada were far from being merely an economic problem; that they were born of, nourished in, are, and will continue to be, part of Canadian politics. I appreciate those two comments very much.

On January 21 I posed a question to the Canadian Transport Commission, drawing to their attention that Canadian Pacific had taken off a daycoach from its coast to coast run from Vancouver to Montreal. At that time I asked the commission whether they would initiate an investigation to determine why a number of people were left standing on the platform as a result of this daycoach being removed. It was suggested that there were not the number of people left standing on the platform that I had indicated, and that really there was no need for alarm.

Another question that I addressed to the president of the Canadian Transport Commission at a meeting of the Transport Committee, was whether or not the railway company could deliberately reduce the quality of passenger service with the ultimate objective of eliminating that particular train. To this date I have received no reply.

In 1966 Canadian Pacific ran a train called "The Dominion". Similar statements were made at that time as are being made today in connection with their train "The Canadian". At that time it was said that if "The Dominion" were taken off an additional 20 cars would be required on "The Canadian". Today, we have less than 10 cars on "The Canadian", and cars are being taken off day in and day out.

• (10:00 p.m.)

Another question may be raised with regard to a telegram sent to the agent in Calgary under date of February 2, I believe. It was to the effect that train No. 2 at Moose Jaw had 31 passengers in sleepers, although there was accommodation for 116. In this connection also, Mr. Speaker, may I point out that Montreal sleeper No. 205 was removed from service on February 8, although there was a great demand for sleeping accommodation.

An acknowledgement of these matters was received from the company's passenger representative through the C.T.C. He suggested that the telegram ought to have been sent to the sleeping car conductor of Train No. 2 at Medicine Hat. He also suggested that the space referred to in the body of the telegram referred only to accommodation being released by passengers detraining at stations

east of Regina, through to Winnipeg. He also suggested that if a person ticketed, say, through to Indian Head were occupying certain accommodation at Vancouver, a message would be given to the sleeping car conductor indicating that space was available from Indian Head to Winnipeg. In that case, the conductor could sell the space as far as Winnipeg. There was confirmation of the fact that there were 31 passengers in sleepers at Moose Jaw, although the figure of 116 spaces being available was said to be questionable. It was also said that there was no lack of available space to accommodate passenger traffic.

However, when one examines the situation, certain discrepancies appear. The information I have certainly points to the fact that fares were reduced on January 1 for local and short haul traffic but that this reduction was not made known to conductors working the trains I have mentioned. Apparently ticket agents for Canadian Pacific Railways have not heard of the reductions. The explanation may lie in the fact that although the reductions came into effect in January, fares had previously been raised to accommodate Christmas traffic. That may explain part of the difficulty.

As for the matter of the sleeping car conductor selling space at Moose Jaw, it seems that the conductor was off duty at that point and could not have done what was suggested.

It has also come to my attention that cars 205 and 105 were removed from service on February 8 and February 13 respectively west of Winnipeg, and that all space was taken in the sleepers with the exception of space in the car which comes off at Regina. "The Canadian" now has two through sleepers, an observation car with three compartments, and a diner. May I refer to Order No. 4642 of the Railway Transport Commission. Section 3(2) says:

> The notice and request required by subsection (1) of this section shall be accompanied by data showing the number of passengers carried on the train or trains during the two years immediately preceding the date of such notice—

Bearing in mind all these factors, I thought it most important to instigate inquiries into the situation and put the results of my inquiries on record. I am sure hon. members realize that sleeping car accommodation on today's trains is far from adequate to meet existing demands. Only tonight I heard that people were trying to book space on trains leaving for western Canada. No space was available and will not be available for some time. It seems impossible to obtain accommodation on trains when one needs it. I draw these matters to the government's attention and ask, when will the government assume its responsibility to the people of this nation by having Canadian Pacific provide adequate passenger train accommodation?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been informed by the office of the Minister of Transport (Mr. Hellyer) that the Railway Transport Committee of the Canadian Transport Commission is at present investigating complaints relating to difficulties experienced by potential passengers in obtaining reserved space on "The Canadian". The reduction in the size of this train and the type of service presently rendered by this train are also being investigated. Inspectors of the Railway Transport Committee are presently riding these trains as part of the current investigation.

HISTORIC SITES—ADMINISTRATION AND MAINTENANCE OF VIMY MONUMENT

[*Translation*]

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, the question I directed last week to the Minister of Veterans Affairs (Mr. Dubé) may have seemed of little importance to some people. This is why I thought advisable to hark back to the subject tonight on the adjournment motion.

I understand the department is considering—or even has already taken the decision—to transfer the administration and maintenance of Vimy Park to the Commonwealth War Graves Commission. However, I strongly object to this decision, and this for several reasons.

Believe me, I hold no grudge against the Commission. On the contrary, I feel it takes admirable care of war cemeteries in Commonwealth countries around the world. Since I have had the opportunity to visit several of them in six countries of Europe, I am well able to testify to that.

However, Mr. Speaker, I make a difference between a war cemetery and a commemorative park of the size of Vimy Park, which lies behind a field where Canadians surpassed themselves in bravery, and where several of them sacrificed their lives for the defence of freedom and democracy. As a matter of fact, this park is part of the Canadian territory and remains a lasting remembrance on the European continent. It is made up of 250 acres in France, where stands the most

imposing and the finest of monuments in all of Europe and where thousands of tourists, both Canadians and Europeans, go each year.

If we hand over the administration and maintenance of that park to the Commonwealth War Graves Commission, we shall no doubt blur the identity of that Canadian territory in France, even if some Canadian employees are kept. The administration will be British, the technical board will be composed of representatives from London or Arras. Therefore, I am convinced that our influence will decrease gradually, in the long run, and I would say that the same remark applies to the Beaumont-Hamel park, known as Newfoundland Park.

Such a decision will, I think, raise political issues which were surely not contemplated by the civil servants who made that recommendation.

Mr. Speaker, if we consider the rather lukewarm relations which have been existing between Canada and France for a few years, especially between Canada and the great general who does not care too much for Great Britain, we give him a splendid opportunity to create difficulties for the Canadian government and we open the door to all kinds of innuendoes on his part.

Those who are called upon or have been called upon in the past to arrange remembrance celebrations on French soil know from experience how small details like those can have their importance in certain cases.

The department has already accepted compromises which in certain cases I considered as unfortunate and I suggest to the minister to check on that matter with his officials and our ambassadors in Paris and London.

More important still are our relations with the French people, those who really remember, and I do not understand why we should not assume ourselves the task of ensuring the maintenance of our commemorative monuments and the parks where they are situated.

I will even go farther, Mr. Speaker. I am one of those who believe that the Canadian government should be more interested in Vimy Park. We should develop this Canadian territory in France by constructing a commemorative building—perhaps for the second world war—which could house a military museum, a restaurant, lounges and also other services which could be self-supporting, most of them I think.

[Mr. Laniel.]

• (10:10 p.m.)

I know in advance the reply I will get to my representations because I inquired these last few days from certain employees of the department. I have been told that the superintendents of the Vimy and Beaumont-Hamel parks will be retained and that the technical direction only will come from the regional office in Arras which is under the authority of London.

But I am not satisfied, Mr. Speaker, because I have the impression that in the long run Vimy Park—and I repeat it—will lose part of its Canadian identity and will be considered as all our other cemeteries, small parks and monuments in Europe, when it should be the contrary.

Another decision that I deplore is the gradual disappearance of the office of the Department of Veterans Affairs at our London embassy.

Mr. Speaker, I would like to tell you that I am greatly disappointed by those two decisions. I intend to bring the matter up again, to do everything in my power to have those decisions re-examined and I ask the minister whether it would not be possible not to go any further until the matter has been deferred to the Committee on Veterans Affairs.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, first of all may I thank and congratulate the hon. member for Beauharnois (Mr. Laniel) for the interest he has always shown and continues to show in the problems of our veterans.

With regard to the question he has raised tonight, I should explain first of all that there are in Europe 13 monuments recalling Canada's participation in the first world war.

The upkeep of those monuments, except for the Vimy and the Beaumont-Hamel ones, has for many years been entrusted to the Commonwealth War Graves Commission under an agreement between Canada and the Commission.

Under the terms of this agreement, Canada reimburses the Commission for the expenses incurred in this regard. The hon. member for Beauharnois has agreed that the work done by this Commission is of exceptional quality.

Since the beginning, our department and the Commission have always co-operated very closely, and our relations are excellent. Of course, Canada is a member of that Commission.

To give a more definite answer to the hon. member's question, it is true that we recently entered into negotiations with the commission with a view to incorporating in the agreement the maintenance of the Vimy and Beaumont-Hamel memorials, so as to take advantage of the Commission's experience and resources in that field. If those negotiations are successful, I can assure the hon. member for Beauharnois that the identity and distinctive character of Canada will be fully respected. I want to point out—as it is my duty to do so—that if the agreement is entered into, it will apply to the maintenance of those two monuments only. The Minister and the Department of Veterans Affairs will always continue to assume the responsibility of the decisions to be taken as far as those two memorials are concerned. As in the past, the Canadian supervisors will be remunerated by our department, according to the scale in force in Canada. As far as the memorial ceremonies are concerned, their organisation will continue to be a Canadian responsibility.

Before I sit down, Mr. Speaker, I can assure the hon. member for Beauharnois that the standard of maintenance will remain very high and that, come what may, the Canadian character of those monuments will be entirely maintained.

[*English*]

TRANSPORT—SUBSIDIES ON INTRA-PROVINCIAL FERRIES

Mr. Maurice Foster (Algoma): Mr. Speaker, the purpose of my question in the house directed to the Minister of Transport (Mr. Hellyer) was to inquire if any agreement had been reached between the Canadian Transport Commission and the province of Ontario on the cost-sharing of subsidies on intra-provincial ferries. I am aware that several months ago an approach was made by the Canadian Transport Commission to the province of Ontario to decide on future cost-sharing for the ferries serving Manitoulin Island in my riding of Algoma. This island has been served for the last five years by three ferries. These ferries have been subsidized by the federal government by an amount in excess of $200,000 per annum. They operate during the late spring, summer, and early fall months.

Two of these ferries are large and ply between Tobermory, at the tip of the Bruce Peninsula, and South Bay Mouth at the eastern end of Manitoulin Island. This service has been in existence for many years and, because more and more people have been seeking the beauties of Northern Ontario in recent times, the service has become inadequate. It is now common to have people waiting in their cars at the ferry dock at Tobermory for 12 to 14 hours during July and August. We need a larger and faster ferry to serve this area. With the advent of longer holiday periods and more people travelling every year, this bottleneck will only get worse.

At the west end of Manitoulin Island during the past five years we have had a ferry service operating between Meldrum Bay on Manitoulin Island and Blind River on the north shore of Lake Huron. This ferry has also served Cockburn Island once a week. I have been told by the Canadian Transport Commission that this service is to be discontinued this year. This is a backward step and will have a detrimental effect on the tourist industry at the west end of Manitoulin Island. This government is committed to an aggressive attack on regional economic disparity. How can a region develop if the government withdraws one of its communication links? As a separate item, the subsidy of some $45,000 per year may appear to be a large amount to provide a ferry service. However, as an investment to stimulate the economic development of a whole region it is not a large amount. Government departments should not be compartments isolated from each other. This subsidy is warranted from a regional development point of view and should be retained.

I realize the government believes the provinces should pay part of the cost of a ferry service operating entirely within the province. The province of Ontario does pay for many ferries operating entirely within it, such as the St. Joseph island ferry and the Glenora ferry operating between Prince Edward county and Adolphustown. These ferries are paid for 100 per cent by the provinces.

The people of Manitoulin island do not care whether the provincial or federal government pays for the ferry service as long as it is retained at Meldrum Bay and improved at South Bay Mouth.

I believe that consideration should be given by the water transport committee of the Canadian Transport Commission to the retention of these two ferry services as a package deal as far as the subsidy is concerned, and to approaching the shipping industry on a competitive basis to ensure good services. Nothing makes for a poorer service than the lack of

competition. When the shipping industry receives an operating subsidy which automatically fills any deficit, it does not tend to get out and dig for business.

I feel this has happened in the case of the ferry service between Blind River and Meldrum Bay. There has to be some new formula worked out for this subsidy to encourage an aggressive selling campaign of the service to tourists. Then, and only then, will this ferry be more self-sufficient and less of a burden on the government.

Five years ago when these operating subsidies for Manitoulin Island ferries were established, a public hearing was held on the island by the Canadian Maritime Commission. I have received many letters from organizations and individuals requesting that a hearing be held this year by the Canadian Transport Commission on Manitoulin Island. These are the people most concerned with this matter. These are the people whose lives and livelihood are affected by the decisions of the commission. Therefore, it is natural that they want the hearing held there.

• (10:20 p.m.)

The shipping season is now only a matter of a few months away. Decisions must be made now in order that a good transportation service will be available for the summer tourist season. I believe the federal government should bring pressure to bear on the government of Mr. Robarts in Toronto, which seems to be dragging its feet on this matter, in order to resolve the question. The people of my constituency not only want to know what service will be provided this year, but what plans are being made for a future, improved service. The time is late. We want answers now.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the question of the future of the Tobermory-South Bay Mouth ferry has been raised with the government of the province of Ontario and a reply is awaited indicating what interest the province may have in the continuance of this intra-provincial service. The federal government has indicated its willingness to discuss the future of the service, but could not undertake to participate in any improvement or building of docks without having reached a satisfactory agreement with the province.

Motion agreed to, and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, February 28, 1969

The house met at 11 a.m.

"- -A HOST, OF GOLDEN DAFFODILS"

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, again this year spring has arrived early on Canada's Pacific coast. The British Columbia daffodils on display in the house have arrived here by Air Canada. British Columbia members of all parties invite their friends in other parts of Canada to join our celebration because spring is here.

Mr. Speaker: I am not sure whether the minister wants to participate in the motion. I have the impression that the procedure is irregular in that the green chamber is being transformed into a greenhouse.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do not really wish to participate, except to thank our friends from British Columbia for this gesture. We are as pleased as they are that the snows have gone and that now flowers are back in evidence. The way we think of that wonderful province is now reborn in the approach of spring.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Fourth report of the Standing Committee on Miscellaneous Estimates, in French and English—Mr. Fernand-E. Leblanc (Laurier).

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

SHIPPING

REPORT BY TRANSPORT COMMISSION AS TO OWNERSHIP AND REGISTRATION

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I would like to table in English and in French two copies of the report prepared by the Canadian Transport Commission following the inquiry by the water transport committee into the operations of the provisions of the Canada Shipping Act governing the ownership and registration of ships in Canada.

An hon. Member: Was that a study in depth?

ORAL QUESTION PERIOD

OIL

INQUIRY AS TO RESPONSE FROM PROVINCES RESPECTING OFFSHORE RIGHTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, last December the Prime Minister made a statement in the house in regard to the question of offshore mineral rights in which he indicated that he would be in touch with the provincial governments with regard to a proposal he outlined. I wonder if I could ask the Acting Prime Minister if responses have been received from all the provincial governments, premiers and prime ministers, and if so whether an agreement has been reached. If that is the case, can the minister tell us when the house would be made aware of what the agreement is?

Hon. Paul Hellyer (Minister of Transport): I am sorry that I am not in a position to report on this matter this morning, but I did not realize it would be raised. However I will be glad to bring it to the Prime Minister's attention.

CANADIAN OWNERSHIP IN NORTHERN ARCHIPELAGO

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not know whether the Acting Prime Minister would be able to answer this question, but in recent days maps have been issued by the United States indicating ownership of potentially valuable oil areas in islands in the northern archipelago. Have representations clearly defining Canada's right to the sovereignty of the north been made to Washington and has Washington been informed that the fact that United States technicians are in the northern areas or that United States investment is being made in the area in large, or potentially large amounts, in no way derogates from Canada's sovereignty and that we insist on the ownership of all those northern areas?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think I will take this question as notice for the Secretary of State for External Affairs. I am sure there have been discussions and representations although I would not care to make an offhand reply to the question.

Inquiries of the Ministry

INVITATION TO COMPANY TO PLACE OBSERVER IN VESSEL "MANHATTAN"

Mr. Paul St-Pierre (Coast Chilcotin): A supplementary question, Mr. Speaker. Would the minister also inform the house whether an invitation was issued to the Panarctic Oil consortium to put an observer on the ship *Manhattan* when she attempts to force the ice of the northwest passage this summer? If the invitation was issued, was it accepted and if not why not?

Hon. Paul Hellyer: Mr. Speaker, I will be glad to take this question as notice.

SEA TRIALS IN TRANSPORTATION

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Was the Government of Canada consulted in connection with the sea trials of oil transportation in the northwest passage to be undertaken by the United States this summer?

HOUSING

POSSIBLE AMENDMENTS FOLLOWING TASK FORCE REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Transport. In view of the fact that the minister has indicated that he is not going to make a statement on motions regarding housing, I want to inquire if he is asking the government for any priority in introducing his amendments to the National Housing Act and if he can give the house some idea when that legislation is likely to come before us.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, as my hon. friend is aware, when the business for the balance of the session was announced the other day by the house leader amendments to the National Housing Act were included. I hope they can be brought forward at an early date.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. May I ask the minister with respect to recommendations 11, 12, 19 and 25 of the task force which have to do with the private sector of the economy and the representations which are to be made regarding the reduction of insurance fees, legal charges and estate commissions, whether any representations have been made to the responsible bodies having to do with these matters and what responses the minister has received.

Mr. Hellyer: I am not sure I can answer that question without notice, Mr. Speaker. I think I recall correspondence with one or two interested parties in which, if I remember correctly, it was suggested they might use their good offices to see what could be done to reduce costs in these areas. I would hope that in the weeks and months ahead additional representations can be made to all interested parties, including labour unions presently engaged in wage negotiations with the building industry, to use moderation so as to keep down as far as possible the cost of housing to all Canadians.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Will these representations be accompanied by some investigation into the sharp rise in the cost of building materials which has occurred in recent months?

Mr. Hellyer: I do not want to indicate exactly what action may be taken in this field but as the hon. gentleman is aware we did point out that this is an area which should be investigated. It has been referred to the appropriate people for investigation and I would hope that if there is any evidence to warrant action being taken, action will follow.

Mr. John Gilbert (Broadview): Is it the intention of the government to assist the Ontario government with regard to the implementation of rent controls in view of the experience the federal government has had in this field?

Mr. Hellyer: I am not a constitutional expert, but I believe that other than in wartime this is a matter which lies exclusively within provincial jurisdiction.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): I have a question for the Minister of Transport, Mr. Speaker.

Since he indicated here that he would arrange meetings in order to bring down the interest rate for the beginning of the building season, would he tell us whether there have been any results yet?

[*English*]

Mr. Hellyer: I am not sure which meetings the hon. member is referring to but we have, of course, made representations to the various lending institutions with respect to the supply of more money during the current year and the initial reaction to that inquiry has been most favourable and most encouraging.

With respect to the cost of money, I would not wish to comment on that question at the

moment, but I still believe the suggestion in the report of the task force, that we should free the interest rate rather than set an artificial ceiling as is the case under the law presently, would result in some reduction in the interest rate—perhaps not dramatic but at least worth while—and that this should be considered by parliament at an appropriate time.

Mr. Robert Simpson (Churchill): In view of the fact that no C.M.H.C. money is available for urgently required multiple housing, particularly of the high rise type, in Thompson, Manitoba, would the minister take a look at this situation and see whether something could not be done about it?

Mr. David Lewis (York South): I was about to ask the Minister of Transport in his capacity as minister responsible for housing in what way the Goldfarb report was, according to Mr. Goldfarb, improperly used in the report of the task force. Would the minister consider tabling the Goldfarb report so that members of the house can see exactly what Mr. Goldfarb found?

Mr. Hellyer: If I might answer both these questions, Mr. Speaker: first of all I shall be glad to inquire into the mortgage situation in respect to Thompson, which was one of the areas of urgent need that we visited. It is my intention to take every possible step to make sure that enough mortgage money is available to meet the needs of that growing community during the coming building season.

With regard to the second question, personally I have no objection to tabling the report. As far as I know there is none, but I will make inquiries and if that is the case I will be glad to table it. I do not think any improper use was made of the report, or that Mr. Goldfarb said there was. I think what he said has been misinterpreted; at least, he indicated to me that that was the case. He had no real quarrel with the conclusion of the task force report that a very careful look should be taken at this whole area before any permanent policy is announced.

Mr. Lewis: A further supplementary question.

Mr. Speaker: Order. I wonder whether the hon. member does not think that we should move on to another subject. We have spent ten minutes on the same subject and various other members are rising. I suggest we move on to another matter.

Mr. Lewis: With great respect, Mr. Speaker, there is a question that is directly related to the Goldfarb matter, but if Your Honour wants to pass on to another subject—

Mr. Speaker: The hon. member may proceed with a further supplementary.

Mr. Lewis: Mr. Speaker, I did not use the word that Mr. Goldfarb used. He said that the report had been bastardized. In order to avoid using that term, I said that it had been improperly used.

I should like to ask the minister whether he has in writing from Mr. Goldfarb a statement to the effect that he has no disagreement with the task force report's conclusion regarding public housing. If he has anything in writing from Mr. Goldfarb, would he also table it?

Mr. Hellyer: Mr. Speaker, to the best of my knowledge there is nothing in writing. He gave me this information during the course of a telephone conversation, so I presume that that is his view. Concerning the other allegation just made by my hon. friend, if I recall correctly I think Mr. Goldfarb said that the report of what he had said bastardized what he intended to say.

Mr. Speaker: Order, please.

Mr. Hellyer: So that rather than speak for him—

Mr. Speaker: Order. The hon. member for Prince Edward-Hastings.

EXHIBITIONS

CANADIAN NATIONAL EXHIBITION—PLEDGE OF FINANCIAL ASSISTANCE BY FORMER PRIME MINISTER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a question to the Acting Prime Minister. Since the government announced it is willing to assist Man and his World does it intend now to honour a pledge which was given on behalf of the federal government by former prime minister Pearson in a speech at the opening of the Canadian National Exhibition in 1965, and repeated two years later on a similar occasion, to the effect that the federal government would give financial assistance to the Canadian National Exhibition in order to make it, as he said, a great national showcase?

Hon. Paul Hellyer (Minister of Transport): I can only say, Mr. Speaker, that members of parliament from Toronto sitting on the government side of the house are fully aware of

the advantages to the City of Toronto of revitalizing the Canadian National Exhibition, and of changing its form and shape in order to make it even more attractive to visitors from our province and outside our province. The hon. member may be sure we will do everything possible to co-operate in the development of that great Canadian exhibition.

Mr. Ricard: That's why nothing is done.

Mr. Hees: The minister has made a most interesting hometown speech. My question was, does the government intend to honour the pledge of former prime minister Pearson?

While I am on my feet, Mr. Speaker, may I be permitted to ask a supplementary question. Now that the principle has been established that the federal government is to assist local exhibitions, is the government to designate the Minister of Industry, Trade and Commerce or any other minister as its representative to whom local fair boards should apply for financial assistance?

HIGHWAY SAFETY

RECALL OF GENERAL MOTORS PRODUCTS TO EXAMINE SUSPECTED DEFECTS

Mr. Barry Mather (Surrey): Mr. Speaker, may I direct a question to the Minister of Transport which has an important bearing on certain transportation matters. Bearing in mind the massive recall of millions of General Motors cars and trucks for examination of suspected defects, will the minister look into that situation as it affects Canadian consumers and the safety of Canadians.

Hon. Paul Hellyer (Minister of Transport): The answer is yes, Mr. Speaker. The director of auto safety has already had meetings with officials of General Motors. Every necessary action will be taken in this country to assure the safety of the travelling public.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Considering recent disclosures, are members of the minister's department charged with auto safety prepared to introduce regulations setting standards of minimum safety in order to obviate in future incidents such as we have been discussing here.

Mr. Hellyer: Mr. Speaker, as I indicated to the house a few weeks ago, at the conference I attended in Quebec City of provincial ministers of transport, and ministers responsible for auto safety, it was agreed that the federal government would introduce legislation with respect to minimum safety standards for automobiles at the point of manufacture or at the point of entry into Canada. So far as I know that proposal will be proceeded with as soon as reasonably possible. I should point out however that that kind of legislation gives no guarantee that the kind of fault that has just been found will not occur again. Often there are design faults which show up only after weeks, months, or in some cases, years of service. Although design standards to protect the travelling public will be set there will always be the possibility that experience will disclose errors in design. When that happens, corrective action must be taken at the earliest opportunity. That has been done in this case.

FINANCE

LOAN TO COMMONWEALTH TRUST COMPANY

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, may I direct a question to the Minister of Finance. Did the federal government directly or indirectly at any time recommend to the government of British Columbia that that government should extend a $3 million loan, or any loan, to Commonwealth Trust Company of British Columbia to subsidize the losses of that company or its subsidiaries?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

INCOME TAX

APPLICATION TO INTEREST ON ANNUITIES BEFORE AND AFTER MATURITY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Minister of Finance. It affects many Canadians holding annuities and insurance policies, and I ask it to clear up a misunderstanding. Does the new income tax apply to the interest element on annuities before and after maturity? I am interested in what happens before maturity. Does it apply also in a similar way to annuity planned insurance policies, even if the person in question elected to postpone acceptance of benefits prior to the implementation of the new tax?

Mr. Speaker: I would suggest to the hon. member that he is asking the minister for an interpretation of the statutes, and that therefore is not a proper question.

Mr. Woolliams: Maybe I could rephrase it. It is not an interpretation. I might just mention, Mr. Speaker, various people who are

holding policies and annuities are now questioning how they can shape their affairs. Maybe I can put it more succinctly. Does the tax now announced apply to those interest elements of the annuities and insurance policies prior to maturity?

Mr. Speaker: Order, please. I still think the question as asked is not in order, because we might have a number of members asking the minister to interpret the statute involved here, or any statute, and particularly taxing statutes. I doubt very much whether the question can be asked.

Mr. Woolliams: I would like to debate it at ten o'clock. I still say with the greatest respect this is a question of policy, and not interpretation.

Some hon. Members: Order.

Mr. Woolliams: Surely we can find out the taxes of the land. That is what I am asking the minister. Where do the taxes apply?

Mr. Speaker: Order, please.

AIR TRANSPORT

AMALGAMATION OF REGIONAL CARRIERS

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport. Has the Canadian Transport Commission given approval to the announced merger of Eastern Provincial Airways Limited and Nordair Limited? I ask the question, Mr. Speaker, because such an amalgamation of major regional carriers if allowed could easily introduce a third main line, which is contrary to C.T.C. policy.

Hon. Paul Hellyer (Minister of Transport): I will be glad to refer this question to the Canadian Transport Commission, Mr. Speaker, and get a definitive answer for my hon. friend.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. When the minister is making an inquiry regarding the merger of Nordair and E.P.A. would he also ensure that the service to be provided, particularly in E.P.A. runs, will be up to the standard set when they received their initial application to fly from Montreal through Charlottetown and the Magdalens?

Mr. Hellyer: I will refer that question also, and get the answer.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

TRANSFER OF DIRECTION OF WORK AT TRANSCONA SHOPS

Hon. Paul Hellyer (Minister of Transport): While I have the floor, Mr. Speaker, perhaps I might reply to a question asked two or three days ago by the hon. member for Winnipeg North Centre in respect to the C.N.R. Transcona shops. May I say, Mr. Speaker, that any report of reduction in personnel, work or possible closing of the C.N.R. Transcona shops is completely false, as I am sure the hon. member is aware. No such move has ever been considered. The only change is an administrative one where the works manager of the Transcona shop reports to the systems headquarters office, rather than the regional offices as was done in the past. The systems headquarters office is in Montreal.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, can the minister give assurance that this is not the thin edge of the wedge for a wider change?

Mr. Hellyer: On the basis of information given to me, I can certainly give that assurance. I can give unqualified assurance, and perhaps go even further and say that the present plans indicate a quite enlarged work force in the Transcona shops requiring additional personnel rather than contracting the work force.

[*Later:*]

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. While the minister gave the assurance to the hon. member for Winnipeg North Centre that the transfer of C.N.R. administrative offices from Winnipeg to Montreal was not to be followed by any transfer of work force, does he recall that 20 years ago when Air Canada transferred its administrative offices from Winnipeg to Montreal this was followed by the transfer of the work force?

Mr. Speaker: Order, please.

GRAIN

RAIL MOVEMENT TO SHIPPING POINTS

Mr. Jack McIntosh (Swift Current-Maple Creek): My question is directed to the Minister of Industry, Trade and Commerce. In view of the fact those responsible for the movement of grain have 20,000 freight cars in their commitment to deliver grain, what steps is the minister taking to ensure the Vancouver fiasco is not repeated at the Lakehead, where

terminal elevators are only 50 per cent full a few short weeks before the opening of Great Lakes navigation?

Mr. Speaker: I am not quite sure the question is put in the correct terms, but in view of the importance of the matter the minister should be allowed to reply.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): At the last meeting in Winnipeg with the wheat transportation committee, the situation at the Lakehead was studied. A certain objective was assigned to the railways with respect to filling the elevator capacities at the Lakehead, and the two railways have assured me formally that this will be done on time before the opening of navigation.

Mr. McIntosh: As a supplementary question —and I might say to you, sir, this question is just as important as the fairs in Montreal or Toronto so far as national urgency is concerned.

Some hon. Members: Oh, oh.

Mr. McIntosh: I ask the minister, in view of the fact that he mentioned the Winnipeg conference between the railway companies, was there a difference of opinion between himself, the self-appointed supervisor of this, and the railway officials, as to who was responsible for the fiasco that happened at Vancouver?

Mr. Speaker: Order, please. I suggest to the hon. member that the supplementary as asked is argumentative.

Mr. McIntosh: Well, I will rephrase my question, Mr. Speaker. Was there a difference of opinion between the officials of the railways and the minister at Winnipeg late this week?

Mr. Pepin: I will say there was a good healthy debate on the subject between all parties represented at the Winnipeg meeting; but we, I think rightly, decided not to emphasize differences but to move forward with the solution to these problems.

Mr. McIntosh: Was it determined at that meeting who was responsible for this fiasco at Vancouver, with respect to the handling of grain?

Mr. Speaker: Order, please. The hon. member persists in asking questions in a way which is not in accordance with the practice in this house, and I would point out to him that I have to interpret the rules in the way that in my opinion they ought to be interpreted.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Now that spring has arrived in British Columbia can the minister assure us that grain unloadings by rail at Vancouver will meet our grain export requirements this spring?

Mr. Pepin: Mr. Speaker, that is too complicated a question to be answered by a yes or no.

Hon. W. G. Dinsdale (Brandon-Souris): As a supplementary question, Mr. Speaker, will the ships lying at anchor at the head of the lakes, which are now empty, be loaded in anticipation of the shipping season and, if so, when will this take place?

Mr. Pepin: This is part of the accepted objective, Mr. Speaker.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, for several days we have been endeavouring to find out from the Minister of Industry, Trade and Commerce why box cars are not made available on C.P.R. lines. Did the president or one of the highest officials of the C.P.R. on the occasion that the minister met with him in the last few days say that the responsibility was that of the minister, because when wheat was not made available last fall the C.P.R. had many cars prepared to transport wheat?

Mr. Pepin: That is a debatable point, Mr. Speaker.

Mr. Diefenbaker: That is what he said to you.

REGIONAL DEVELOPMENT

COMPREHENSIVE PLAN FOR PRINCE EDWARD ISLAND

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, in response to questions asked yesterday I am happy now to announce that I expect to be able to sign the development agreement with Prince Edward Island on March 7, a week from today. I understand there were earlier reports of this from Charlottetown, but I should say that they were premature. For some time we have been aiming at that date but it was only this morning that I completed the negotiations that make it possible.

Mr. David MacDonald (Egmont): Mr. Speaker, in view of this agreement, because of its importance to the province and the country, and its comprehensive nature, would the minister prefer to make a statement on motions some time next week indicating to some degree the nature and details of this plan?

Mr. Marchand (Langelier): I am willing to consider that, Mr. Speaker, but I cannot make the statement before the agreement is signed.

VIOLENT DISTURBANCES

QUEBEC—USE OF R.C.M.P. TO MEET TERRORIST ACTIVITIES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the Solicitor General. I have a very serious question for him arising out of a statement made yesterday in the Quebec legislature by Mr. Lesage, the leader of the provincial Liberal party. Is it a fact, as indicated by Mr. Lesage, that the government of Quebec has declined or at least not requested the assistance of the R.C.M.P. in investigating terrorist attacks in that province?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I have no knowledge of the statements made yesterday in the provincial assembly in Quebec, but it is a fact that the Royal Canadian Mounted Police are co-operating with and assisting both the Quebec Provincial Police and the Montreal City Police.

Hon. Marcel Lambert (Edmonton West): Is the minister in a position to answer the question I asked him two days ago on this area?

Mr. McIlraith: No, Mr. Speaker, I prefer to answer that question on Monday.

NATIONAL DEFENCE

MISSILE SITE IN WINDSOR AREA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Inasmuch as Governor Milliken of Michigan has made representations to the government of the United States against the placing of a proposed A.B.M. site near Detroit, and as there is considerable concern in Windsor and vicinity about this whole matter, will the minister look into it and discuss it with his colleague, the Secretary of State for External Affairs, and perhaps make representations to the United States government about it?

Hon. Leo Cadieux (Minister of National Defence): I will consider this question very carefully, Mr. Speaker.

Mr. David MacDonald (Egmont): Mr. Speaker, as a supplementary question, in view of the importance of this matter to our country can the minister tell us whether the government is giving consideration to including in its report on defence, to be made at the end of March a statement as to its own position with respect to this matter?

Mr. Cadieux (Labelle): Mr. Speaker, I think the position of the government was stated last year when the renewal of the NORAD agreement was announced by the Secretary of State for External Affairs. I think he said at that time that Canada was not participating in A.B.M.'s.

Mr. MacDonald (Egmont): As a further supplementary question, I wonder if the minister would see to it that in this statement at the end of March there be included some statement as to our position with respect to installations near Canadian territory?

EXHIBITIONS

CANADIAN NATIONAL EXHIBITION—REPRESENTATIONS AS TO FINANCIAL ASSISTANCE

Mr. Barney Danson (York North): Mr. Speaker, my question is supplementary to that of the hon. member for Prince Edward-Hastings to the Acting Prime Minister in relation to the Canadian National Exhibition. I would like to ask the Acting Prime Minister if he is aware of any positive representations that have been made to the government regarding specific plans for assistance to the Canadian National Exhibition?

I would also like to ask if it is improper for members from metropolitan areas to ask occasional questions, as suggested by the hon. member for Swift Current-Maple Creek?

Mr. Speaker: Order, please.

Mr. G. W. Baldwin (Peace River): As a supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. Before a supplementary question is asked, may I inquire whether the hon. member is asking a supplementary to the question asked by the hon. member for York North, because I found it difficult to determine whether the hon. member for York North was asking a question or making a representation?

Mr. Danson: I am sorry, Mr. Speaker. My question was in relation to any specific

proposals for the Canadian National Exhibition that might have been made to the Canadian government.

Mr. Speaker: The hon. member for Peace River.

Mr. McIntosh: On a point of order—

Some hon. Members: Oh, oh.

Mr. McIntosh: Seeing he mentioned my name, and he being a new member in this house—

Some hon. Members: Oh, oh.

Mr. McIntosh: Just a moment. The hon. member, being a new member here, should be acquainted with the rules and regulations of this house, and as you know well, Mr. Speaker—and maybe he does not know,—any question at this period in the day should be of national importance and of urgency and—

Some hon. Members: Oh, oh.

Mr. McIntosh: —and as I said before—

Some hon. Members: Oh, oh.

Mr. McIntosh: —I think it is your duty, sir—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to complete his remarks. I have the impression that what he is saying would be of interest to many members of the house.

Mr. Baldwin: My supplementary question is directed to the Acting Prime Minister. Would he use his good offices to make sure that the members of parliament from metropolitan Toronto are given the freedom asked by the hon. member for York East (Mr. Otto) to make representations in standing committees regarding matters such as this?

Hon. Paul Hellyer (Minister of Transport): Most certainly, yes, Mr. Speaker; and I agree that a renewed, revitalized, modern Canadian National Exhibition is a matter of national concern and interest.

Mr. Hees: Then would the minister answer my question? Is the government going to fulfil the pledge of the former prime minister to give this great national exhibition the financial assistance it has asked for?

Mr. Speaker: Order. I have the impression that this question has given us enough difficulty this morning. The right hon. member for Cape Breton-East Richmond.

[Mr. Danson.]

TELEVISION

TRANSACTION BETWEEN GOVERNMENT AND GEOFFREY STIRLING

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to ask the Acting Prime Minister whether representatives of the C.R.T.C. discussed the ethics of any transaction between Geoffrey Stirling and a minister of the Crown.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I really do not know, but I will refer the question to the responsible minister.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I would think the Acting Prime Minister should be responsible. However my question is this: Why is it that the minister who had this question put to him several months ago did not come up with an answer? I suggest this question cannot be ruled out of order because the ethics of a cabinet minister are of urgent national importance. I ask just what he is hiding.

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker, because of the urgency and importance of the ethics of any cabinet minister. This is a question which has been before this house on a number of occasions. If the ministers in the cabinet do not feel the ethics of any of their colleagues is their responsibility, then I think it is time this government took the responsibility and came forward with the truth. If need be, this urgent and national question will be put before them every week.

Mr. Hellyer: On the same point of order—

Mr. Speaker: This is not a point of order. The hon. member knows similar questions have been raised before. My feeling has always been that if a member wishes to make a charge against another member on one side of the house or the other there is a way to do it, according to the rules. For the protection of all members on both sides of the house I think we should adhere to the rules in this regard.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. I too, think the ethics of ordinary members of parliament are important. I think for ordinary members of parliament to commit character assassination through innuendo is beneath contempt.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question of privilege

now arises from the remarks of the Acting Prime Minister, who mentioned character assassination by innuendo. All I ask the Acting Prime Minister to do is prove that this is innuendo, and prove to this house that there is—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. It is obvious to me that this certainly is not the House of Commons at its best, but I will hear the hon. member.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, it is pretty hard to have the house at its best when the Prime Minister himself refers to them as bums and idiots, and some of them now refer to themselves as fools. They seem to be taking objection to their Prime Minister's words. These were not my words: It was the Prime Minister who referred to them as bums and idiots.

Mr. Speaker: I suggest the hon. member has made his point. The Minister of Transport has replied and I am wondering whether we are accomplishing anything by proceeding with this matter. I have no objection, because I must sit here, whether it is to hear points of order, questions of privilege or questions during the question period. However it seems to me that hon. members would like to go on to the other business before the house.

Some hon. Members: Hear, hear.

Mr. MacInnis (Cape Breton-East Richmond): On the question of privilege, Mr. Speaker, may I make it quite clear that it was not any member on this side of the house that had the press indicate they had borrowed $2,000 for video equipment.

Mr. Speaker: Order, please.

THE BUDGET

POSSIBILITY OF JUNE REPORT TO HOUSE BY MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance. It is based on an interview he had a few days ago with Victor Mackie, whom we all know to be a veteran reporter of high repute. Has the minister now decided to make an economic report to parliament in May or June and if so will it be a budget, a non-budget or something else?

Hon. E. J. Benson (Minister of Finance): As I have stated in the house I intend to make a report regardless of whether or not any tax changes are to be brought forward. There are various definitions of a budget. One definition says it can be simply an economic report, and another says it involves a change in fiscal measures. Nevertheless I have indicated that from time to time, whether it is through a formal budget speech or through other methods—and this could be arranged of course, because budget days are really opposition days—I would bring forward a statement to indicate how well the economy is moving forward and how good the forecasts were that we made last October.

Mr. Baldwin: In spite of the government.

Mr. Knowles (Winnipeg North Centre): Can the minister give a definite date for this and, particularly, will he make his statement before the boom busts?

Mr. Benson: I do not think the boom, as my friend calls it, is going to bust. I think Canada can look forward to a very good year economically this year. I cannot give the exact date.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. As the minister in his interview with Mr. Clive Baxter of the *Financial Post* indicated the government is considering the imposition of a capital gains tax, has he made any decision on this?

Mr. Benson: I gave exactly the opposite impression, as my hon. friend would see if he would read the article. I simply said the government had not made up its mind in this regard. That is all I said.

FINANCE

TAXATION—SUBMISSIONS TO PARLIAMENTARY COMMITTEE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of Finance. Will he clarify whether, after the introduction of the white paper on taxation, the public will be invited to make submissions to the parliamentary committee and be given the widest possible latitude.

Hon. E. J. Benson (Minister of Finance): It is to be referred to the parliamentary committee. It will be up to the committee to decide whether or not public hearings are held, but I would sincerely hope they would have them.

Inquiries of the Ministry

EXTERNAL AFFAIRS

THE SICOTTE CASE—POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this question is for the Acting Prime Minister. Does the government recognize that the public interest is seriously involved in the Sicotte case, as it has been for some years, and if so may I ask what steps have been taken to have an independent inquiry made into this situation.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have nothing further to add to what the Solicitor General has already said in respect of this question. He has already indicated that the facts are being investigated. I do not think it will be helpful for me to say anything beyond that.

Mr. Fairweather: Mr. Speaker, will the Acting Prime Minister undertake to bring this question, which is presented seriously, to the attention of the Prime Minister for an answer by him when next the right hon. gentleman is in the house.

Mr. Hellyer: The representations made by the hon. member will of course be brought to the Prime Minister's attention.

OIL

MEETING BETWEEN PRIME MINISTER AND PRESIDENT NIXON—MARKETING POLICIES DISCUSSION AND CORRESPONDENCE

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct this question to the Acting Prime Minister. Will future oil marketing policies be discussed by the Prime Minister when he meets with President Nixon, and will Canada's policy be one of integration with United States supply, or will there be greater emphasis on developing Canadian and other markets for Canadian oil?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, as the Prime Minister said the other day, the agenda for the meeting is not yet set.

Mr. Speaker, may I use this occasion to say, on behalf of the Acting Minister of Energy, Mines and Resources that after full consultation with the Canadian government, the government of the United States has made publicly available the text of an exchange of correspondence dated September 25, 1967 between our two countries relating to arrangements for the export of Canadian oil to the United States. The immediate occasion for the declassification of this correspondence has been a request from a company involved in proceedings before the Interstate Commerce Commission relating to the supply of Canadian oil to the Chicago area.

May I now, on behalf of the Acting Minister of Energy, Mines and Resources, ask the permission of the house to table the documents.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. In view of the statement by the minister in reference to a question asked by an hon. member, would he be prepared now to table this correspondence which may cover the period 1967 and 1968, so we may analyse just what the negotiations were?

Mr. Pepin: Would my hon. friend help me get support from the rest of the house to do so?

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

Some hon. Members: Agreed.

ST. ROMUALD, QUE.—USE OF WESTERN OIL IN NEW REFINERY

Mr. John Burton (Regina East): A supplementary question, Mr. Speaker. Is the government carrying on any discussions with oil or refining interests with respect to the possibility of using western Canadian oil as a source of supply for the new refinery at St. Romuald, Quebec, or does the government intend to undertake such discussions?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am not acquainted with the details of this matter, Mr. Speaker, but it would certainly be a complete change from the national oil policy as it now stands.

EXTERNAL AFFAIRS

DIPLOMATIC RECOGNITION OF THE VATICAN

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, in the absence of the Prime Minister perhaps his parliamentary secretary will take this question as notice. Has the Prime Minister done anything about his undertaking to sample public opinion in regard to Canada's recognition of the Vatican?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): I will see that this question is brought to the Prime Minister's attention, Mr. Speaker.

HOUSE OF COMMONS

ORAL QUESTION PERIOD—RECOGNITION OF MEMBERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order. A number of members on this side of the house have been trying, without success, to get Your Honour's eye since the question period started. Many members have not been able to get Your Honour's eye, although they have attempted to do so. I ask Your Honour to take this into consideration at the next sitting of the house.

Mr. Speaker: The hon. member realizes that there are only 40 minutes allowed for questions. Nothing would please me more than having an opportunity of calling on all hon. members. This is why I very often suggest to hon. members that the questions asked in the first instance sometimes take, in my view, too much of the time of the question period.

Some hon. Members: Hear, hear.

Mr. Speaker: The first, second or third questions usually go on for 15 or 20 minutes, with seven or eight supplementary questions being asked. When the Chair attempts to disallow a supplementary there is always a very convincing argument put forward by hon. members, as to why the supplementary should be allowed. I might mention also that the question period was allowed to go on this morning for four minutes longer than the prescribed time, in the hope that a few more questioners might be allowed to participate.

I do try from day to day to take note of hon. members who have unsuccessfully attempted to ask questions, and I make an effort the following day to recognize them. I will certainly keep in mind the suggestion made by the hon. member for St. John's East.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed from Thursday, February 27, consideration in committee of the whole of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the chair.

The Chairman: Order. When the committee rose last night clause 2 of part I of the bill, relating to the Department of Fisheries and Forestry, was under consideration.

On clause 2—*Department established.*

Mr. Harding: Mr. Chairman, it is not my intention to hold up the passage of this clause but I would like to say a few words on fisheries and forestry. Before commencing my remarks on this matter I must say that it is rather nice to have a little touch of British Columbia in the chamber today. The beautiful daffodils that most hon. members are wearing are just a sign of the early spring which we usually get in British Columbia. It gives me just that much more pleasure to be able to speak on a day like this.

The Chairman: Order, please. I wonder if we could have quiet in the chamber, please, particularly from behind the curtains.

Mr. Harding: Thank you, Mr. Chairman; it was rather noisy.

The few remarks I would like to make on this clause deal with the matter of the conservation of our forestry and fishing resources. There is today more than ever before in the history of this country a desperate need for very close co-operation between the federal and provincial authorities on all aspects of the forest industry. The minister may say that forestry is primarily a provincial responsibility, and this is so; the provincial governments do the cropping, and there is no doubt that they lay out the program which companies must follow as far as forestry resources are concerned. But it must be remembered that the forest industry supplies many hundreds of millions of dollars to the federal treasury. We have our hand in the forestry till right up to the elbow. I am of the opinion, and have been for years, that we do not return a sufficient sum of money to perpetuate this resource. I believe this applies to every province in the Dominion of Canada.

A few years ago the general feeling was that we had such a vast abundance of trees and fish that we did not have to bother too much about conservation measures. As a consequence, we embarked upon a wild spree to see how quickly we could, in effect, get rid of some of these resources, and today, in 1969, we find we are in serious trouble on all fronts in this respect. The other day an hon. member asked the minister which cap he will wear when dealing with fisheries and forestry. The hon. member was referring to the

spraying of various type of trees to prevent disease, and the spray getting into the rivers and killing some runs of fish. I will come back to this problem. I think the members of this house have a job to do in regard to resource conservation, and we must face up to that job.

I believe we need a co-ordinating committee to co-ordinate the activities of all departments as far as resource conservation and management are concerned. I have all the respect and regard in the world for the minister's abilities, but he will have a tough job ahead of him. I know he is not in a position to go to a provincial government and say: You cannot build a pulpmill here, or a pulpmill there. But this is part of the planning that I am talking about. This is an area in which we must have far more co-operation provincially and federally than we have ever had before.

• (12 noon)

Someone has mentioned that this problem should be taken up at another constitutional conference, and I certainly agree with that. I think we should sit around the table with the provincial authorities and come to some clearcut, definite agreement on how and where the two levels of government can augment each other's programs for the benefit of all Canadians. It would be a tragedy if we were to allow the depletion of a resource. For example, let us consider the case of a pulpmill. If we were to allow the effluent from the pulp mill to pollute the streams it would wipe out the product on which the livelihood of a number of people depends, namely, the fish which spawn in these streams.

To date there has not been sufficient co-operation between the two levels of government to wipe out the problem I have mentioned. I can give instance after instance—and the minister is well aware of them—where we have started to develop one resource without any over-all plan. The consequence has been that within a few years' time another resource has been adversely affected. We are trapped in plans of our own making because, as I said, there has been a complete lack of liaison and co-operation between the two levels of government. It is absolutely essential for us to break this down if we are really to plan for proper resource development both at the federal and provincial levels.

I should like to come back to forestry for a few minutes, but I will not spend too much time on this subject. I am well aware of the programs which are being carried out by the federal department concerned with forestry and of the research that has been undertaken in this field, but I believe that better use should be made at the federal level of the economic returns which come into the federal treasury and that this should be done in co-operation with the provincial authorities.

Let us consider reforestation. There has been great negligence in this area and every provincial government is almost equally as guilty. Our forests have been cut down and there have been insufficient replanting programs. This has occurred in practically all the provinces with the exception of Saskatchewan where a pretty good program was initiated a number of years ago under the C.C.F. government. They looked to the future in their replanting and cutting programs. We find in British Columbia today that many thousands of acres are lost every year through burning and cutting and that different types of trees grow on them which form a cover over the acreage. The first thing we know we find millions of acres of good land in British Columbia covered by rough growth which could and should be producing crops. This is one field where further assistance could be given by the federal authorities. There is also a shortage of nurseries for growing nursery stock, but most of all there is a shortage of money to hire people to replant some of these areas.

I suggest to the federal government and to the minister that the returns to the federal department justify more thought on the subject, and more effort should be made to replant this waste land. It can be called waste land because it will take a long time before natural regeneration can take place and another crop of trees can mature. The return is in the hundreds of millions of dollars, and I believe that this problem must be taken care of if our forestry program is to be satisfactory.

There is another aspect of forestry where federal assistance could be provided and that is in the prevention of forest fires. A vast co-ordinating system should be set up in this country and expenditures should be made by the federal government to assist the various provinces when the scourge of forest fires hits them. This is another aspect which I would like to bring to the minister's attention, and I suggest that something should be done along these lines. There are all kinds of training programs and techniques which some of the provinces possibly cannot afford, and in this

regard they should be assisted by the federal government.

We were speaking about resource conservation, a subject in which I have been interested all my life. Over the years I have collected much interesting material on what can happen when resource conservation is not properly carried out in the cropping of some of our resources. There is a good example on Vancouver Island which I should like to give to the house. Four or five years ago there was an improvement in the situation due to federal planning, I am glad to say. One cannot blame the federal government for the small problem which I will describe. It has really been a provincial program which has allowed a logging operation to be carried out at the headwaters of the small streams on Vancouver Island with the result that an entire run of salmon yielding over $1 million a year was wiped out. The minister cannot tell the department of forestry of British Columbia that they must prevent this from happening. This is where the careful nurturing of these resources must take place. There are some difficulties to be faced. For example, where does logging in the watersheds stop for the good of the community generally?

I have here a few notes which I would like to read to the house. They deal with a little river called the Tsolum, a small stream on Vancouver Island that runs into the sea. A few years ago before logging took place in the upper reaches of this river it had a fine run of different types of salmon which normally come to the coastal rivers as my friend the minister probably knows better than I. Pink and chum salmon used to swarm up the 22 miles to the foot of Mount Washington from which this stream came down where the shale outcrops formed walls and halted the salmon in their search for spawning ground. Just about every mile of this stream was used by the fish prior to the logging operation taking place. More than 150,000 chum, 200,000 pink salmon and, later in the fall, 50,000 coho use this little stream for spawning. Year after year they return to the river to spawn and, of course, the fry make their way to the ocean eventually to mature.

• (12:10 p.m.)

Hon. members can try to estimate their value in terms of dollars if they like. The International Salmon Commission estimates, that for each salmon on the beds, between 2.4 and 4.2 salmon have been caught by the fishing fleet. Let us take an average of three. This produces a figure of 450,000 to 600,000 pink salmon from this one little stream. They are worth about 50 cents each to the fishermen, so the total amount would be between $225,000 and $300,000 derived from this one species of fish alone. There are the runs of chum at 18 cents a pound. These fish weigh about eight or nine pounds each and the return to the fishermen runs between $675,000 and $900,000. Then there are the coho. Fifty thousand used to spawn and they too have value. Making allowance for natural disasters the value to the fishermen derived from this one little stream would be at least a million dollars.

What happened? Logging of the watershed began. This illustrates the point I am making; we are so foolish and stupid about these things. Trees were removed from the watershed and in the absence of forest covering the stream dwindled to a hot trickle. The federal government attempted to divert water from elsewhere to build up the flow during summer and repair some of the damage done. This was a good conservation move but it would not have been necessary if proper care had been taken by the provincial authorities who were responsible for the trouble in the first place. Last year, was a wet year and conditions were relatively good, but the year before there was only a trickle of water flowing. As a result, the number of chum spawning in the channel was cut to less than 100 and in 1963 it was down to 25 from the vast number which had used the stream earlier. This is what I have in mind when I talk about the conservation of resources. These are things to weigh in the balance. I am thinking of the log run which might have harmed the salmon fishery last year, of the dispute between the province and the federal government, of the continuing pollution in our streams, of the continuing pollution of the Fraser. If we are not careful, we are going to destroy some of the finest salmon spawning beds in the whole of Canada.

These are some of the realities we must face. The minister will find himself in a difficult position. I understand that his responsibilities are federal, but the need for a co-ordinated attack is essential. More work has to be done. This is my appeal to the minister and to the house today. The fishing industry perhaps does a good job in trying to preserve certain species of fish. But then we allow some stupid move, some unco-ordinated action by another department, to destroy all the good which has been done. This is why I appeal for better co-ordination in the over-all

set-up. For example, if the debris from strip mining is likely to pollute our streams and desecrate our countryside, it should be checked. Each one of us has a share in this work and every single Canadian has to play a part. Some people will be hurt. Some unpopular decisions will have to be taken. But we are reaching the point at which our resources are dwindling. A good deal more could and should be done.

There is one more point I should like to make in connection with forestry. Every year we see the raw material leaving Canada in increasing amounts. It is time members of this house, members of provincial legislatures and members of organizations all over this country rose up in protest. We are shipping logs to Japan from British Columbia in ever-increasing quantities while half our own labour force is out of work because there are no logs for their mills. When will we learn that it is the fabrication in our own country of raw materials of this kind that provides work for our people? We are losing tens of millions of dollars by shipping out raw material which could and should be fabricated in Canada, giving jobs to Canadians in the Canadian setting. We have been negligent in this connection. Again I thank you, Mr. Chairman, for this opportunity to put the subject of resource conservation before the house.

Some hon. Members: Hear, hear.

Mr. McGrath: Mr. Chairman, it is not my intention to unduly delay the passage of this particular clause of the bill. Friday seems to be becoming a traditional fish day in the house, perhaps to the chagrin of the Minister of Fisheries, but I am grateful to have this opportunity to refer briefly to the statement made by the minister on February 20 which to my mind is certainly the most important statement ever made in this house on the subject of the fisheries and one which amounts to a real breakthrough in fisheries development in Canada.

I am glad the opportunity is afforded to me in connection with part I of this bill to say to the minister that I think his statement was an excellent one. This is a view shared by the groundfish industry and by the government of Newfoundland. It is also shared by the fishermen's union in Newfoundland and, I submit, by most of the members of this house. The minister is to be complimented on his statement. My only regret is that he did not make the statement last fall.

[Mr. Harding.]

• (12:20 p.m.)

Having said that, there are a few matters I should like to mention to the minister. I particularly wish to express a concern of mine which is shared by a number of hon. members. Will the fishermen be the ultimate beneficiaries under this plan? I hold no brief for the operators of fish plants with the exception of their role in fisheries development and operation. But in my view I do have a great deal of responsibility for the ordinary fisherman.

It was pointed out last night by one hon. member that one of the features of this new policy will be the raising of price levels for frozen groundfish products. My concern is whether this will have the effect of raising the income level of the fisherman. As pointed out last night, and it bears repetition, the commodity item we are talking of here, frozen cod blocks, range in price anywhere from a low of 19 cents a pound to a high of 29 cents. The price to the fisherman who does most of the work and takes the risk will range anywhere from one and a half cents a pound, depending on buyer and area, to three and a half cents a pound if he is lucky. As a consequence of this injustice, the fishermen of Newfoundland enjoy the lowest income of any group in Canada, an income so far below the poverty line that it makes one wonder how they can possibly survive. I realize that the minister shares this concern. I should like to hear him say at some future date, or perhaps during the course of this debate, that the government will take steps to ensure that the level of income of our fishermen is raised to the point where they can at least retain their self-respect in the community.

I invite any hon. member to go to a settlement where there is a fish plant. The disparity of income is obvious. In a big house on the hill lives the owner and operator of the fish plant. In modest little frame houses below the hill live the fishermen who are denied the amenities of life to which as Canadians they should be entitled. They are denied these amenities because up until this point they are, as primary producers, the forgotten segment of the industry.

Hon. members will be interested to know that when the minimum wage law of Newfoundland was amended last year to bring the minimum wage for men up to $1 per hour from 70 cents and for women up to 70 cents from 50 cents, the people really deserving of the protection of that minimum wage law were excluded from the provisions of the act.

Fish plant workers, who work 50 to 60 hours a week, were excluded from those provisions, and as a result it can be said that in Newfoundland the industry is being subsidized by the fishermen and workers.

The minister has been to fish plants. He knows that workers there have to stand at a table in the cold and damp for ten hours a day cutting fish that has been packed in ice in a trawler. It is the most difficult and uncomfortable type of work that a person could engage in. Yet these people are excluded from the minimum wage legislation in Newfoundland. I hope that the Minister of Fisheries will show a greater sense of justice and fair play to the fishermen and plant workers of Newfoundland than has been shown them by the government of that province.

I should now like to refer briefly to the centralization program in which the federal government is engaged co-operatively with the government of Newfoundland. To my mind the government has not taken sufficient precaution to ensure that the consequences of the centralization program are such as to improve the lot of the people who will have to be moved. I am very much afraid that the government of Canada has been hoodwinked in this regard.

I say that because in my view one of the principal features of the centralization program is that the administration of welfare programs by the government of Newfoundland is made easier. I urge the government to look very carefully at what they are doing here. After all, when human beings are moved from one settlement to another it is almost a forced migration. These people dare not resist the government since, owing to circumstances over which they have no control, they are totally dependent on the government. They are forced to move from villages and ancestral homes to centralized welfare ghettos—regrettably, that is what they are —where they very rapidly lose their dignity and sense of security, having been uprooted from their own homes and villages in which they grew up and in which they felt at least some sense of security both from the elements and from the bureaucracy.

I am not suggesting that everything about the centralization program is wrong; it has many good features. What I am suggesting is that human lives are involved in it. We are not talking about herding cattle into central areas; human beings are involved. It is not enough for the minister to say that mistakes have been made but that the program is being improved all the time. I submit that not a single Canadian ought to be obliged to leave his home unless the government has satisfied itself of the wisdom of its action and has examined very carefully the social consequences flowing from this type of move as well as all other circumstances. In my view, those who have been moved find themselves living under conditions considerably below the standards they enjoyed in the villages from whence they came. I am concerned about the matter and I hope my remarks do not fall on deaf ears.

• (12:30 p.m.)

In his statement on February 20 the minister indicated that the government was contemplating bringing in a measure to set up a marketing board for salt codfish. We await the announcement of the establishment of that board with anticipation. To my mind, the fishermen of Newfoundland who catch and cure the fish have benefited little in the past 20 years from any advances made in sales of cod, largely because they are the victims of ruthless competition in this field. Our exporters who sell cod to low income Latin, Mediterranean and Caribbean countries have had to compete with highly subsidized exporters from countries like Spain, France and, I believe, Norway. A salt fish marketing board will cure this injustice. After it has been established I hope it will be permitted to come under the aegis of the Minister of Fisheries and not the Minister of Industry, Trade and Commerce. In my view, the peculiarities of marketing salt cod can only be dealt with adequately by the Department of Fisheries. All the same, despite the great promises in the new policy enunciated by the minister on February 20, I cannot help feeling concerned about the future of the salt cod industry. Steps must be taken to protect this important Canadian industry from setbacks it might suffer as the result of fluctuations in foreign exchange rates. The more quickly the minister makes his statement about the new marketing board, the happier I shall be.

I now wish to raise the matter of river wardens' pay. Anyone who has had the golden opportunity to fish for salmon in our rivers no doubt has come up against the river warden who must work 24 hours a day in season. Poachers do not operate in daylight, and our wardens have great responsibilities in conserving the fish stocks of our rivers. For their duties they are grossly underpaid, not having

had a pay increase for a great number of years. Even 20 years ago our wardens were underpaid. They are the forgotten men of the Department of Fisheries. I hope the minister will have a chance to wet his line and go salmon fishing this year. He may then talk to some of these fine men who protect our rivers and conserve our salmon stocks. When the estimates are finally brought down for the next financial year I hope that consideration will be given to the plight of the river wardens and that they will be recompensed not only for the work they do but for the period during the winter months when they cannot work. These dedicated men love their work and protect our rivers. Unfortunately they are not being paid enough.

I hope that forestry matters in the new department will not absorb too much of the minister's attention at the expense of our fishing industry. In my view, it was a mistake to merge the fisheries and forestry portfolios. Nevertheless, in its wisdom the government has decided to merge them. I hope the minister will not lose sight of his tremendous responsibilities to our fishing industry. Perhaps he will consider enlarging his department and appointing two deputy ministers of fisheries, one responsible for the west coast and the freshwater fish industry and the other responsible for the Atlantic fish industry.

Mr. McCleave: Mr. Chairman, I wish to make three brief comments. It might be apt for me to say to the minister who comes from British Columbia, which is celebrating the arrival of spring, that the Halifax area had springlike weather from mid-December until the first day of this week. We are not grateful to British Columbia for getting rid of its winter weather and dumping it on the Halifax area.

The first point I wish to raise concerns conservation. Lobster fishermen in my area advise me that scuba divers operating from yachts out of Halifax have been terrorizing the lobster population in places like Sambro harbour. Pretending they are out on innocent scuba diving operations, the divers go down to the bottom and, with hand pots, take the hapless lobsters. By the time our lobster fishermen get to the area the lobsters have been devoured. I submit that the enforcement officers of the department ought to examine this problem which is of serious import to our lobster fishermen. For the fellow on the yacht the exercise is simply a playful diversion, but for the fisherman it means a loss of livelihood.

[Mr. McGrath.]

My second point concerns the amplification of the lobster licensing program announced by the minister. In particular I wish to deal with the provision which says that where lobster boats were jointly owned and operated in 1968 and were permitted under the regulations of that year to fish with 50 per cent more lobster pots they may continue fishing with 50 per cent more lobster pots. Apparently permission to fish with the increased number of traps is withdrawn when one of the partners in the enterprise withdraws from lobster fishing. I point out to the minister that very often a lobster fishing boat is run as a father and son operation. In most instances the partnership is broken up on the death of the senior lobster fisherman, the father. With a certain class of boats it is an absolute requirement that at least two people be fishing from them if the boat is to work effectively.

• (12:40 p.m.)

The minister may find that new problems will be created by suddenly wiping out the 50 per cent extra privilege. As an example, the capital burden will have to be borne by the survivor rather than by the two people. In the case of a father and son, if the father dies the surviving owner would have to hire somebody and would not be able to give him the advantage of joint ownership of the boat. In addition, the survivor would have to bear the financial burden involved in a catch only two-thirds of what was previously permitted. I realize the minister and his officials have shown good will and great adaptability in listening to the points of the fishermen, for which I thank them, but I utter the warning that this is a problem that may cause them great difficulties in the future.

I am sorry that the reorganization bill does not give the minister more power in the building of wharves. The wharf program as it relates to fisheries should be handled by the Department of Fisheries rather than the Department of Public Works. The Department of Public Works could still supervise the building, but the capital program should be the responsibility of the Minister of Fisheries. The disadvantage of it being the responsibility of the Department of Public Works is that when the government cuts down spending public works programs are affected, and I think this is to the detriment of the fishing industry.

Part of my constituency is the Sambro area where the swordfishery has developed to the point that it is the swordfishing capital of the North Atlantic. It is operated from a wharf

built in the days of R. B. Bennett. The underpinning of the wharf is reaching a serious stage of deterioration. Some day the wharf may float out to sea. The Department of Public Works has looked at the problem of replacing the wharf and this has been recommended to the central authorities in Ottawa. On one occasion before the election I persuaded the then Minister of Public Works to have this project included in the estimates. After the election new estimates were presented; the Sambro wharf was not included and it was not included in this year's estimates. I am at present taking this matter up with the Minister of Public Works and I hope to have the assistance of the Minister of Fisheries in having the estimate restored. A new wharf in this successful fishing village will promote revenue in an area that now suffers because of a lack of such facilities. I think the minister is aware of this type of problem.

Government reorganization is a recurring phenomenon of our times. When reorganization is dealt with again I hope the Minister of Fisheries will have his own wharf program to enable him to build up growth in natural fishing areas in all parts of Canada.

Mr. Davis: I would like to comment, Mr. Chairman, on some of the remarks by hon. members. The hon. member for South Shore asked if a market study is being carried out by the Atlantic Development Board. I am informed that this study is nearing completion and the results will be made available not only to the new Department of Regional Economic Expansion but also the fisheries department. This information will be used in our own evaluation of the frozen groundfish market. I know the information will be most useful to the Fisheries Price Support Board when it is determining what action to take in order to stabilize prices for frozen groundfish, particularly in the United States market.

The hon. member also asked about the timing of our announcement with regard to frozen groundfish. One of the considerations was the state of the market itself. I think the timing of the announcement has been fortunate as our selling price is now beginning to move up and I hope will move up appreciably in the next few weeks. As several members have stated, the price for codfish blocks has been in the 20 to 21 cent range. It is now firming up, rising several cents since my announcement. I am hopeful it will rise in the near future to 27 or 28 cents.

The hon. member for Fraser Valley West asked about the Indian fisheries program in British Columbia. The Department of Indian Affairs has a joint program with the Department of Fisheries. The budget for this program is $4½ million. This fund is available to fishermen wishing to purchase old or new vessels or gear. It will also enable the Indian people to instal inshore processing facilities and otherwise to expand their role in the fishing industry. This is a special provision for the native people on the west coast, and I hope it will go a long way toward overcoming the serious unemployment problem in the inshore fishery in B.C.

The hon. member for Coast Chilcotin raised the question of offshore limits and also the question of the establishment of base lines. I am hopeful that in the relatively near future we will be able to satisfy him in that regard.

The hon. member for Victoria asked about sports fishing licences on the west coast. I assure the hon. member I have no intention of setting up a sports fishing licence scheme in respect of the salt water fishery of the west coast of Canada.

The hon. member for Skeena was concerned about what he called the abuse of sport fishing privileges. He must realize that particularly in those areas near Vancouver there is a large number of sports fishermen who have a very substantial investment in sports fishing gear. The recreational interests of those numerous taxpayers should also be borne in mind.

The hon. member for Kootenay West stressed the need for conservation of our resources of both fish and trees. We need a co-ordinated approach to resource development for all our renewable resources, including forests, fish and wildlife. The maximum benefit as far as the Canadian community is concerned must be paramount. This thought must be uppermost in our minds.

I have had discussions with a number of provincial ministers responsible for resources development in an endeavour to co-ordinate our activities, both federal and provincial, in the areas of fisheries and forestry. In particular I have had discussions with the hon. Ray Williston, provincial minister of lands, forests and water resources in British Columbia, in this connection. I am confident he and I will be in touch with one another with regard to joint resource development problems, like river drives, as floating logs can interfere with the salmon resource, and the efficient operation of the forest industry in river systems which are also vital to our fishery.

• (12:50 p.m.)

There are particular cases where pollution from forest industries, for example, pulp mills, is a problem. I am keeping a close eye on a possible new pulp mill in the vicinity of Ashcroft on the Fraser River in British Columbia, and I am working closely with the hon. Ray Williston in this connection. I am hopeful we will be able to work out a program which in no way will be harmful to the salmon industry and yet will allow a new forest industry to go ahead in B.C.

We have a similar problem in New Brunswick. However, there is another element of federal participation in the sense that federal funds are, or will soon be, made available for the construction of additional pulp mill capacity on the Saint John River. In this case I think the federal government must insist that the necessary clean-up facilities be installed in the mills, and indeed the performance of those facilities to a very high standard be guaranteed, before federal money is paid out for the construction of these plants.

We must rehabilitate the Saint John River in New Brunswick for the salmon. We have already spent a great deal of money there on a fish hatchery. It must not be wasted by wilful exploitation of the forest resources upstream, and I am working with the minister of resources for New Brunswick to ensure that we will have the best of both worlds, the best in respect of the fishery as well as the best in respect of forestry.

The hon. member for Kootenay West referred to the problem of exports of logs in the round from western Canada to Japan. I have had a quick look at this problem. My understanding is that less than 2 per cent of the total timber cut in British Columbia is exported to Japan on the average. However, we have had a problem with winter snows this year, and there is now a shortage of available logs for the sawmills in what is a rising market, a very demanding market.

With the prospect of some unemployment in the mills we have, jointly with the minister of lands, forests and water resources in British Columbia, been in touch with the companies responsible for log exports. These exports have now been terminated or will shortly be terminated. This suspension will continue until the log supply problem is resolved, or until September of this year.

I am also taking a look at our longer term policy with regard to log exports, and have some reservations in this connection. Members should know, however, that most of the logs we export to Japan are not acceptable to our mills in any case. Because the Japanese value wood, any wood, more than we do and because they cut more selectively, the Japanese are able to use what we call culls to make useful products, and so a trade of this nature has some desirable features.

The hon. member for St. John's East raised three important issues. One was the question of whether the fishermen will benefit from the policies we have announced with regard to frozen groundfish and whether they will benefit as a result of the policies we have yet to announce with regard to salt fish. I would like to reassure him to this extent, that the main purpose of these policies is to maximize the income of the fisherman. The hon. member knows as well as I do that the fisherman in the Atlantic region gets on the average three to four cents for his fish in the round. He also knows that the delivered price of frozen groundfish in, say, Boston has been of the order of 21 cents.

That looks like a big spread, but the hon. member also knows those figures are not comparable. The price that the fishermen get, say three to four cents, must be multiplied by a factor of three to allow for the two-thirds of the fish which disappears in the processing phase. It follows that the comparable price to the fisherman is of the order of 9 to 12 cents out of the 21 cents. Roughly speaking, this is true of the fishery all over the country. The fisherman gets about half of the wholesale price of the finished product.

Having said that, I again want to underline the fact that the intention of our policies is to maximize the price to the fisherman. I am sure we will be able to do this in large measure by stabilizing the wholesale price for export. We will endeavour to stabilize this price at as high a level as possible so that the return to the fisherman is also as high as possible.

The hon. member for St. John's East also touched on the difficult problem of what is called centralization. This is really a program for helping people to move where the great majority of them want to move to another centre. As I understand it, the centralizing program, which is a joint federal-provincial program, helps people to move by giving them financial aid if 80 per cent of the people indicate that they want to move.

This program, which runs for another 12 months, is under very active review. Undoubtedly another program will take its place, but whether this new program is to be

administered by the new Department of Regional Economic Expansion or the Department of Fisheries and Forestry remains to be seen. Personally I think a lot can be said for the regional development approach because some of these people, perhaps a majority, will not continue in the fishery or at least will not be able to find gainful, productive, and satisfactory employment in the fishery in their new location. It is not exclusively a fisheries problem. It is a problem of employment regardless of the type of occupation that these people take up after their move. So I would say this is a program for the future which must be continued, which must be modified to suit the circumstances, and which most certainly must have regard to employment opportunities over and above those available in the fishery itself.

Finally, the hon. member for Halifax-East Hants raised the question of lobster fish boat regulations. We have instituted a program of licence limitation on the west coast in order to raise the income of fishermen. That is the main purpose of the licence limitation scheme in regard to the lobster fishery on the east coast as well. Mr. Chairman, I think I have covered very briefly most of the points raised by hon. members.

Mr. McGrath: The minister forgot to mention whether it is the intention of the department to raise the unjust income of the fish game wardens. I think they now get about $270 a month for long work and tremendous responsibilities.

Mr. Davis: I will look into that matter.

• (1:00 p.m.)

Mr. Crouse: The program that the minister has announced is one designed to strengthen and stabilize the market price for frozen groundfish products. Could the minister indicate the species of fish that will be supported by this program? This has not been made known in any phase of his announcement. Does it cover all groundfish products or is the minister at the present time at liberty to tell the house the types of fish that are covered by this program?

Mr. Davis: I would say it covers all groundfish products. I would not want it to be inferred that the support would necessarily be there for all groundfish products at any one point in time. If the price for flatfish or flounders should be higher than the long-term trend, we would not be endeavouring to support that price. But if the price on cod blocks, for instance, was lower than the long-term trend we would undoubtedly be in the market supporting the price of that particular species.

Mr. McCleave: Would the minister make a comment on my suggestion that the Department of Fisheries undertake the wharf program?

Mr. Davis: It is an interesting idea. I will confer with the Minister of Public Works on that matter.

Clause agreed to.

Clause 3 agreed to.

Mr. Kierans: One o'clock.

The Acting Chairman (Mr. Isabelle): There are just a few more clauses.

Mr. Drury: Mr. Chairman, I believe it is the unanimous wish that we dispose of clauses 4, 5 and 6.

Mr. McIntosh: The minister has called it one o'clock, Mr. Chairman.

The Acting Chairman (Mr. Isabelle): It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

On Clause 4—*Duties of minister.*

Mr. Crouse: Mr. Chairman, clause 4 of the bill provides that the duties, powers and functions of the Minister of Fisheries and Forestry shall cover not only the seacoast and inland fisheries but the forest resources of Canada as well. When the bill establishing the Freshwater Fish Marketing Corporation was brought before the house, it was piloted through the house by the Minister without Portfolio. Can the Minister of Fisheries now tell us whether the functions of the Freshwater Fish Marketing Corporation come under his authority, under the authority of the Minister without Portfolio, or under the authority of the Minister of Industry, Trade and Commerce? Perhaps this point could be clarified in respect of clause 4.

Mr. Davis: Mr. Chairman, as the hon. member knows, the act has yet to be proclaimed. The minister responsible can be a minister of

any department, as designated by the Prime Minister. The final disposition of that legislation has not yet been determined in that regard.

Mr. Crouse: Mr. Chairman, I find myself still in a somewhat confused state. Even though this clause provides that inland fisheries will come under the responsibility of the Minister of Fisheries, am I to understand that the minister cannot inform the house yet whether he will have responsibility for inland fisheries when the act establishing the Freshwater Fish Marketing Corporation is proclaimed? Is this the situation? I submit this creates considerable confusion, and heaven knows we are confused enough already in dealing with a bill of this magnitude which contains 106 clauses and combines apples with oranges and horses with rabbits. Can we not get down to some basis whereby on fisheries matters we can speak definitively and direct our inquiries to the Minister of Fisheries or the Minister of Industry, Trade and Commerce with some certainty that they are being directed to the proper minister? Unless something is done to establish direction, I submit we will—

Mr. McGrath: We will end up like the wheat farmer.

Mr. Crouse: One of my colleagues has said that we will end up like the wheat farmer and the problems he faces. We will be like the story that is told about Columbus; we will not know where we came from or where we are going, and when we get there we will not know where we are. Surely the minister can give us a more definite answer than that this matter is still in the hands of the Prime Minister. Anything he can tell the committee by way of information at the present time will be of assistance to us. It will be better than being told that the situation is still up in the air. Does such a situation still exist?

Mr. Davis: It is not up in the air, Mr. Chairman. It is in the hands of the Prime Minister.

An hon. Member: He is up in the air.

Mr. Davis: The hon. member has alluded to Christopher Columbus. He arrived at a very good place, and I am sure the freshwater fisheries legislation will do likewise. In any event, the Canadian constitution gives the federal parliament authority with respect to all fisheries wherever they may be carried out, whether offshore in the oceans or inland.

[Mr. Davis.]

The hon. member also knows that the freshwater inland fisheries have in large measure, been delegated by the nation to the provinces. That was a unilateral act and theoretically can be reversed at any time. But the hon. member has a good point with respect to the freshwater fisheries and I can assure him that the ultimate destination of the responsibility for the freshwater fisheries will be one which is satisfactory to him and to the House.

Clause agreed to.

Clauses 5 and 6 agreed to.

Mr. Drury: Mr. Chairman, could we now proceed to part II of the bill, dealing with communications?

Mr. Knowles (Winnipeg North Centre): Clause 7 is the next clause.

Mr. Drury: I would hope we would not deal only with clause 7 but with part II, communications as a whole, which would be clauses 7 to 12 inclusive.

Some hon. Members: Agreed.

• (2:10 p.m.)

The Deputy Chairman: We are now on clause 7.

On clause 7—*Department established.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I assume the understanding is that on clause 7 we will have latitude to discuss the whole communications department and that this will not preclude discussion of the other clauses after we have passed clause 7.

Mr. Kierans: Mr. Chairman, the second section of this bill concerns the creation of a new department of government, a Department of Communications, to be headed by a Minister of Communications who will, at one and the same time, be responsible for the Post Office. Involved, therefore, is a new cabinet title, a rearrangement of existing ministerial responsibilities and, most important of all, the creation of a new department responsible for a field of activity that is relatively new in terms of its importance in national affairs, which is undergoing rapid and decisive change and which has, quite aside from its scientific and industrial importance, profound implications, social, cultural and political. For these reasons my speech will take a slightly unconventional tone; it will also be relatively long, which is not, I am afraid, unconventional. The duties and the areas of responsibility

of the new department are described in the bill itself and in necessarily juridical prose. These, I believe, can best be studied at the clause by clause stage of the bill. Instead I intend to address myself to more basic questions: What the department is, what it is doing and, above all, what it hopes and intends to be doing.

First, what is the department? The simplest explanation is usually the most descriptive: It is a department of communications. Communications, to resort to a dictionary definition, means "to transmit information". The word is derived from the Latin, *communicare*, meaning to transmit, or to participate. These two root meanings of communications, the one a passive act the other an active one, are both integral to the purpose and functions of the department as I shall explain later in my speech. The origin of the department dates back to July 12, 1968, and a statement by the Prime Minister (Mr. Trudeau) which I quote:

> The growing importance of communications and the government's increasing involvement necessitates that one department and minister be made responsible for all government activities in this field. Consequently, a new department will be formed, to which will be transferred the functions of the Post Office Department.

[*Translation*]

This legislation executes the Prime Minister's statement of intent, with one change in structure which I will explain in a moment. Combined and rationalized under a single minister are all of the government's activities in the field of communications, that is both communications in its modern, electronic sense, and communications in its traditional sense of the Post Office. Our responsibility will be with the medium, not with the message, but, as I shall describe at the end of my speech, these two functions are inter-related and inter-dependent, and we intend to be fully aware of the inter-action between the two.

As the Prime Minister stated, the object of this legislation is to make a single minister responsible for all government activities in the field of communications. As honourable members will see from the departmental chart which has been distributed to them, the Minister of Communications is responsible for two departments, each headed by a deputy minister, and also for a number of government agencies. The departments are, of course, the Department of Communications itself and the Post Office. The agencies which will now report to parliament through the Minister of Communications are the C.O.T.C., the Canadian Overseas Telecommunications Corporation; the Canadian Transport Commission, but specifically only that segment of the C.T.C. concerned with the regulation of telecommunication rates, and, once it is established by legislation, the domestic satellite corporation. To ensure that all these institutions operate in the closest co-operation and consultation, there will be created a policy review committee, coordinated by the Deputy Minister of Communications, and comprised of the senior officials of the two departments and of the crown corporations.

Before dealing with the Department of Communications, which is totally new, I would like to deal with a department which is old, and familiar to all—namely the Post Office. This legislation directly affects the Post Office only to the extent that the responsible minister will now carry the title of Minister of Communications.

There is here, perhaps, a small element of confusion. The Minister of Communications will be at one and the same time the Postmaster General. The title Postmaster General will remain on the statute books and for administrative reasons will continue to be used to an extent within the department itself. It will, however, disappear from public usage, much in the same way that the Minister of Finance is also, but is rarely so referred to as, the Receiver-General.

[*English*]

Postmaster General is an old and honourable title, one of the very few portfolios unchanged in name through the 100 years of political history since confederation. I am the 47th minister to occupy the portfolio. The most renowned Canadian to hold the title was the first, Sir John A. Macdonald, although I must add that he held it for only 24 hours.

An hon. Member: He quit while he was ahead.

Mr. Kierans: The Post Office, as hon. members know, is today undergoing rapid and radical changes. It has to if it is, almost literally, to survive. Lawrence O'Brien, the former postmaster general of the United States, has described the post office in his country as in "a race with catastrophe". These changes may take many forms but their end objective is a post office restructured as a modern, efficient system of communications able to serve the public by finding its proper place in this age of electronic, total and instant communication.

One possible change under study is that of the desirability and feasibility of recreating the Post Office as a Crown corporation. In the meantime, no matter what may or may not happen in the future, the mail must still be delivered. The Post Office payroll is 48,000, easily the largest of all civilian departments. In a sense it is the most "national" of all departments: There is a post office in every sizeable community in the country, more than 8,000 in all which is more, I might point out, than all the branches of our nine chartered banks combined. Because of its size, because of its complexity, and because it is undergoing massive change, the Post Office will continue to operate as an autonomous department, responsible to the new Minister of Communications rather than become, at least until its future is defined, one arm of an integrated Department of Communications headed by a single deputy minister.

• (2:20 p.m.)

Between the two departments of Post Office and of Communications there will be the closest possible working relationship. To give one concrete example, the research component of the Department of Communications will undertake, as one of its prime responsibilities, research into the vital area of electronic sorting and distribution equipment. We intend, as I have said before, to consider the Post Office not as an organization in the business of moving mail but as an organization in the business of communications—that is, of print communication as opposed to audio or visual communication as with the telephone and with television—and hence as an integral part of a total national system of communication. All I have said to this point, Mr. Chairman, is essentially explanatory background. I intend, now, to address myself directly to the new Department of Communications.

The operations of the new department will fall into four broad categories: administration, planning, operations and regulation, research and development. The administrative component is identical with that of all government departments so I need say no more about it at this point.

The function of research and development will be headed by an assistant deputy minister, Dr. John Chapman, who was formerly deputy chairman of the Defence Research Board. Under his guidance there will be established a research and development office which will, essentially, generate research policy. It will identify research projects of prime interest, either because of their industrial potential or because of their relationship to actual or planned government communication operations. In other words, it will be concerned about the future. For example, it would direct research into future types of communication satellites, particularly those able to broadcast directly to homes.

The actual research work will be performed at the communications research centre, as well as at other facilities across the country such as the satellite earth station at Mill Village, Nova Scotia, where, I may say for the information of hon. members, I will formally open a new commercial satellite earth terminal in a few week's time.

The Communications Research Centre, to which I have referred, is being formed from the existing defence research telecommunications establishment, a branch of the Defence Research Board. Its staff currently numbers 520 and is composed of five principal laboratories: the national radio propagation laboratory; the national space telecommunications laboratory, which was responsible for the Alouette I, Alouette II and ISIS-A research satellites, the last of which was launched last month; the national communications laboratory and defence telecommunications institute and, finally, the electronics institute which conducts research on a range of electronic systems such as solid state devices and lasers. In terms of broad policies the communications research centre will be mission-oriented, geared to meet the needs of government as well as those of industry. Our resources are limited and to make the most of them we will have to, and we will, work in close co-operation with industry and with universities.

As hon. members will have noted from this broad description of the research programs, the Department of Communications will be concerned both with telecommunications and with satellites. The communications research centre, as the repository of satellite expertise in this country, will assist in the development of our planned communications satellite and, more directly, with our next research satellite, ISIS-B, due to be launched early in 1971 and intended, like its predecessors, to gather information about the ionosphere. In a broader sense, the department will represent Canadian interest in negotiations at INTELSAT and other international bodies on such crucial issues as allocation of frequencies and of orbital "parking spaces", and it will be required to co-ordinate any future government telecommunication satellite systems,

such as those which might be used for surveying earth resources, for meteorology, or a satellite able to broadcast directly into the homes of Canada.

[*Translation*]

The Operations and Regulation section will also be headed by an Assistant Deputy Minister. Mr. Gilles Bergeron is the designated official, and many will recall him from his work on the Centennial Commission. The bulk of the staff of this section of the department—some 630—have moved over from what was formerly the Telecommunications Policy and Administration Bureau of the Department of Transport. They will continue to administer the Radio Act, that is the technical regulation of radio-frequencies and the licensing of users, whether these be for taxi radios, microwave relays, telephone systems or television broadcasting transmitters. In addition, as I shall explain more fully later, this branch of the department will be deeply involved in a far-reaching review of telecommunications legislation and regulation.

Lastly, Mr. Chairman, there is the area of planning. Planning must start with the acquisition of comprehensive information about the national communications industry, and we will have to work fast in a field that is in a state of constant and rapid change. We will, shortly, be appointing a Director General of Policy and Plans who will in turn report directly to the Deputy Minister, a post for which the designated official is Mr. Alan Gottlieb, formerly Assistant Under-Secretary of State for External Affairs. The purpose of planning will not be regulation for regulation's sake but regulation, where and when needed, for the public good. We intend to evolve a national communications plan and a national communications policy to integrate and rationalize all systems of communications whether those of today such as telephones, microwave relays, telex, TWX, telegraph and the Post Office, or those of tomorrow: communication satellites; sophisticated information retrieval systems linking computers which exchange and store information of all kinds; waveguides; lasers, and on up to the 'wired city' of tomorrow.

All of this is what the department will be doing. I intend now to describe what it is doing.

Our largest single current project, as everyone knows, is the development of a domestic communications satellite system to go into operation by 1971-72. Legislation to set up a mixed, public-private, satellite corporation will shortly come before this house and hence I cannot, at this time, add anything useful to what is already public knowledge. It would be, Mr. Chairman, a mixed satellite corporation. Full information, I can assure my hon. colleagues, will be provided at the appropriate time.

However, I can perhaps usefully define the three essential objectives of this major project. We intend to use it as a means to promote Canada's scientific know-how and industrial potential in the vital field of communications. We intend to use it to bring the North and the under-developed parts of this country closer to the mainstream of Canadian life by means of instant telecommunications and by live television—a northern vision of the 1970's, and I deliberately use that phrase in acknowledgement of the foresight of the great parliamentarian who first coined it. Finally, Mr. Chairman, we intend to use the system to place in space above us a satellite that will speak both French and English to all Canadians, no matter where they live. Confederation was built upon the mile upon mile of steel rails laid across this country; Confederation will be renewed, as the Prime Minister put it so well yesterday, by a communications system that meets the needs of all Canadians and which provides them with the go into operation 1971-72. Legislation to set means to fulfil their talents.

• (2:30 p.m.)

[*English*]

A second project under way, our interest in which is reflected in the joint study with Sweden carried out for the United Nations committee on the peaceful uses of outer space, is on the feasibility and implications, technical, political, cultural, sociological and diplomatic, of direct broadcasting by communication satellites. I have already tabled in the house the first paper to be produced as a result of this study. It represents a significant and imaginative initiative by Canada and Sweden. Direct broadcasting communication satellites are some seven to ten years away from economic use, but that point will be progressively reached as the signals emitted by satellites become more powerful and the necessary earth stations become smaller and, most important of all, cheaper.

[*Translation*]

The Deputy Chairman: Order. I regret to interrupt the minister, but the time allotted to

him has expired. Does the house agree to let him finish his speech?

Some hon. Members: Agreed.

The Deputy Chairman: Is it agreed? Agreed.

[*English*]

Mr. Kierans: A vital first step will be an international agreement on the use of frequencies, and this will be dealt with by the World Administrative Radio Conference scheduled for late 1970 or early 1971. I will keep hon. members closely informed of developments because I know they will be keenly interested, both from the standpoint of the implications of such technology upon national sovereignty and from that of the far-reaching implications for developing countries of such a low-cost system of television.

Finally, among projects under way I want to describe one that is, considered over the long term, unquestionably of special importance. Telecommunications legislation and regulation as it now exists is, to a considerable degree, unco-ordinated and in certain areas inadequate. Much of this existing legislation developed as a by-product of transportation considerations, as can be seen by the titles of the relevant acts—the Railway Act, the Telegraphs Act, the Canada Shipping Act.

In March, 1968, the government's white paper on the satellite communications system drew attention to the increasing need for comprehensive telecommunications legislation and regulation to cover telecommunications services, both satellite and terrestrial. With the transfer of responsibility for telecommunications from the Minister of Transport to the Postmaster General, earlier studies have been continued and much preliminary work has been done.

We now intend to move one major step further. As the basis for a complete overhaul of telecommunications legislation and regulation, and coincident with the approval by Parliament of a new Department of Communications, I will set up a special task force to collect comprehensive information on the national communication industry, to study present and future communication needs both of the public and of the industry, whether carriers or users, and to draw up recommendations for a national communications policy and plan. This task force, a sort of telecommission, will be chaired by the deputy minister of communications. Its membership will be drawn from the department itself and other government departments and agencies. In addition, the telecommission group will work closely with, and request information and advice from, industry, universities and other governments. In addition to in-house studies, research contracts will be placed with outside experts. The report of the telecommission is intended to be completed by the end of 1970.

That concludes my summary of what the department is and of what it is doing. I will conclude by attempting to describe the kind of department we intend to become.

Communications is the nerve system of our society. No field of science, with the possible exception of space technology, is changing at as fast a rate, and no field of science, with the possible exception of genetics, contains within it greater implications, good or bad, for society and for the individual.

The Department of Communications, as I have said, will concern itself with the medium, not with the message. But the two cannot be separated. Without accepting uncritically the dictum that the medium is the message, it is obvious that the former affects the latter and that any message is altered and conditioned by the medium through which it is communicated. Television has had a galvanic effect upon our society, irrespective of whether its content has been good or bad, entertaining or dull. Those effects have not always been predictable. Television, on the one hand, expands our horizons by bringing an image of the whole world right into our living rooms; on the other hand, it contracts our horizons by reducing the opportunity and need for personal conversations and relationships. And, specifically, television has robbed parents of part of the responsibility and joy of passing on their stored wisdom to their children. Telephones have had the same schizophrenic effect. On the one hand, they unite people who are living or working at a distance from one another; on the other, they make it less necessary for people to go out to meet each other in person.

Communications constitutes the most important single element in the technological revolution that has overtaken us and which is carrying us along—willingly or unwillingly is virtually irrelevant—toward a kind of society which we can as yet only dimly perceive. As politicians hon. members will be aware, perhaps uncomfortably so, of the extent to which technology is altering our political system, and specifically of the extent to which technology is draining the ideological content, the traditional ideological content, from our political wars. A machine is non-political, neither Liberal nor Conservative nor New

Democrat nor Creditiste. Nor for that matter is it a capitalist machine or a communist machine. No matter who designs it or where it is designed, a machine is a machine. How to grapple with the problems created by burgeoning technology, how to ensure that machines serve men and not the other way around, is, I suggest, a challenge that is going to thrust itself more and more into the forefront of our political consciousness and into national affairs.

I have made that excursion into, if you like, philosophy to indicate to hon. members that the Department of Communications will not become a two-dimensional institution concerned only with means and not with ends. We will be a highly technical department and highly science oriented, and must be if we are to execute our specific mandate. We will keep our place on the advancing frontiers of science wherever they may lead—to the second generation communications satellites, to laser pipes carrying great volumes of traffic—voice, data, visual—between major cities, to the possibility of three-dimensional television offered by the new science of holography.

Having said that, I want to make clear that while we will be scientific savants we will not be idiot savants obsessed with scientific problems and projects and unconcerned with their effects upon society, upon our politics, our culture, our social system.

• (2:40 p.m.)

[*Translation*]

The danger for any government institution, in fact for any institution, is that as time passes it does become composed of idiot savants, of individuals who are expert in their own field and rank amateurs at everything else. If we, in the Department of Communications, possess no clear-cut solutions to this familiar problem we are at least conscious of it. We intend to remain a small department—our payroll for 1969-70 is 1,339—and our mandate is not to operate new telecommunications systems such as the communication satellite but to bring them into being and to regulate them once in existence. If we will be small in quantity we will be high in quality. We will also recognize that quality is not enough. Communications is so complex, so fast-changing and so far-reaching a field that no group or institution could command adequate let alone comprehensive knowledge of every facet of the science. We will therefore, be an 'open' department, working as closely as possible with those in industry, in the universities and in governments here and abroad. One technique of co-operation and consultation which we intend to employ will be that of consultative committees composed of the ablest specialists we can find in the various disciplines of communications who can feed into the department a broad spectrum of knowledge and experience, to generate ideas for us and to criticize our performance.

By this means we hope to arrive at some answers to some of the problems and challenges which confront us. But let me make it plain—far from as yet knowing all the answers we don't even as yet know all the questions.

I will give three examples of areas where questions, the right questions, will have to be asked, and soon. No branch of communications is expanding at a greater rate than that of information retrieval, sometimes known as the knowledge industry, by which computers provide information on real time in response to requests from distant access terminals.

Here are some of the questions that need to be formulated: should the acquisition and distribution of information be regulated? What knowledge should be sorted? Who should have access to it? What protection can be provided for the rights of personal privacy?

Another area to be investigated is that of the inter-relationship between communications and transportation. In its most sophisticated forms—such as video-phones and inter-city closed circuit conference television—communication competes with transportation; it does away with much of the need for travel. We will have to consider what effect the communication systems of the future, most significantly that of the wired city, will have upon our transportation systems within, and between, major cities. And finally, there is the apparent contradiction, which I have already mentioned, that while communication unites people, it can also isolate them. It was in this context that I recently threw out the idea of using our nationwide complex of post offices as locations for communication centers, perhaps by bulletin boards, perhaps by a system of hot-line telephones by which individual members of the public could communicate directly with their government.

In sum, Mr. Chairman, the Department of Communications faces a challenge the dimensions of which are impossible to define with any kind of satisfactory precision. The communications systems, such as the communications satellite system, which we will either

develop or regulate, are merely tools capable of being used for the public good, and capable equally of being misused. The department will have to grapple with the problems of the relationship between technology and sociology and of the conflict between mechanical efficiency and human individualism where nothing is black or white and where the best we can probably hope to achieve is a lighter rather than a darker grey. Nevertheless, despite all those qualifications, and imprecisions, I believe Canada has taken a long step forward in identifying the need for a Department of Communications. How effective a step will depend upon the department itself.

Now, Mr. Chairman, it is time for the opposition to start asking me questions.

[*English*]

Mr. Macquarrie: Mr. Chairman, may I congratulate the minister on his address. I always like to read his speeches, especially those dealing with matters for which he is responsible as minister. In 20 minutes I will not be able to do justice to his 15-page address, a copy of which I received a few minutes ago together with a chart. Except for the fact that the chart was rendered illegible in stencilling I would have enjoyed studying it.

I congratulate the minister on his future exalted status of Minister of Communications. In passing, may I congratulate him for choosing an excellent man to become his deputy minister. I already know Mr. Gotlieb. In my opinion he is a man of outstanding ability and the minister is to be congratulated on obtaining his services. My remarks apply similarly to Dr. Chapman, who is an outstanding scientist and has brought credit to this country. I do not know so well others who will assist the minister. In general, I must say I have the highest regard for what the scientific community of this country has achieved in the field of communications.

I, for one, have no desire to delay the establishment of this new department because with it will come the establishment of important agencies like the satellite corporation. Creating that agency will be commenced more easily once the minister is finally ensconced in his new role. Since I am most anxious for the department to assume these new roles I will not indulge in any delaying tactics. Nevertheless, I hope that the establishment of the new Department of Communications will not be beset by difficulties similar to those encountered in the establishment of the Department of Industry some years ago. Quite obviously, creation of the latter department was an error. I hope it will never again be necessary, as happened recently, for a minister to confess to wastage of half a billion dollars on regional development. I hope, and I say this most sincerely, that we are more ready for the establishment of this department than the government obviously was for the imposition of five-day delivery and attendant changes which were apparently insufficiently discussed and prepared for beforehand.

The Prime Minister spoke about the illusion of change. A cynic might say that we talk so much about the waves of the future, new techniques, new developments and new vistas that there is a danger we may create an illusion of modernity. What a word! I doubt that this is the case. At any rate, these questions come to mind.

I have read carefully the clauses in the bill dealing with the Department of Communications and I wonder how embracing and all-pervading the functions of this new department will be in the field of communications. The minister gave us a lesson in the first conjugation using the Latin word *communicare*. I wonder whether in this communications field the minister is to become Caesar or just one of the consuls.

• (2:50 p.m.)

I wonder what is in store for the C.B.C.? It would be very easy to have that controversial organization report to the house through the Minister of Communications. This would seem to be a logical development. I notice that the Minister of Communications will replace the Minister of Transport in regard to the Broadcasting Act. As time goes by, will the C.B.C. come even more under the wing of the nation's chief communicator?

I notice a small change has taken place in the allocation of subject matters and estimates to standing committees. The estimates of the Post Office and those of communications formerly went to the committee on transport and communications. In terminology at least, this is the logical committee. The Post Office, communications, and C.O.T.C. have now been placed on the agenda of the Standing Committee on Broadcasting, Films and Assistance to the Arts. Is this a coincidence, a mere housekeeping matter, or is it portentous ? This committee was always a normal arena for the Secretary of State, our minister of culture. Is he now going to become number two consul instead of number

one in this realm? The hon. Mr. Cardinal speaks of satellites as blackboards in the sky and refers to provincial competence and concern since culture and education are involved. Is there a growing acceptance of this point of view?

These are speculations one is prompted to make. While these are only speculations, there are important questions we should ask as we legislate the creation of the new Department of Communications. I like the forward-looking and splendid statements of intent regarding the telecommunications field, but I wonder about the actual functional scope and the planned activities of this new department. How involved, financially and otherwise, are we going to get in programs such as satellite development?

I am very interested in the domestic satellite program. The McIntosh report has become one of those hidden reports about which Mr. Patrick Nicholson wrote so graphically a few months ago. It has been prepared by a very competent and outstanding man. We have been expecting this report. Where is it? I agree with the minister that this is an important phase into which we are moving, and therefore we should know something about it. In January the minister assured an audience in Toronto that the bill would be introduced this spring to set up a satellite corporation. We have been told today by the people of British Columbia that spring is here. So where is the bill? I would like to know what Mr. McIntosh thinks of this whole operation.

Canadians are interested in knowing what this country is doing on the international scene. We talk about Canada competing for the sale of component parts of satellites and for recognition of our industrial and technological competence. There is perhaps an opportunity for industrial innovation and expansion. How did the Whitehead commission, if I may call it that, get along? Where is that report? That commission reported many months ago and as yet we have not received this information. A spokesman for the C.O.T.C. recently expressed the opinion that Canada should have a larger share of what is available in this particular field.

I also wonder what is being done in connection with intra-national problems. The Prime Minister stated the satellite program was a sort of 20th century railroad to sustain confederation. Unless we see some evidence of more thoughtful consideration of some people in the provinces who have an interest in some aspects of the satellite program, it may not be such a unifying force as it could be. I am interested to know how much co-operation there is between technicians and technologists of Quebec and of Canada. These developments should be discussed before a situation arises resulting in conflict and controversy over something which could potentially be a great unifying agent. I hope there is nothing in the bill which will diminish the role of the C.O.T.C., a well established and important corporation. When I read Bill S-5 and certain clauses of the measure now before us, there seems at best to be an overlapping. It could at worst be pre-emption. This I would not like to see.

The powers of the C.O.T.C. are certainly ample. They are empowered to carry on the business of public communications, by cable, radio, telegraph, radiotelephone and any other means of telecommunication, between Canada and any other place. Their position should be secure. I listened to the minister's excellent speech on this whole program. The minister is a stimulating man. He speaks often and well, but frequently he speaks on many other subjects. It is a temptation at times to rise in the house to ask the Minister of National Defence how everything is going in the Post Office Department, but the rules would not allow it. I suppose it would be an impropriety to ask the Minister of National Defence to settle some of the problems developing in the Post Office Department.

An hon. Member: Ask him what he thinks of the five-day mail delivery.

Mr. Macquarrie: Being a kindly man and having the highest regard for both ministers, I would not make such a flippant suggestion, but it does go through my mind.

Mr. Woolliams: It sort of follows the de Gaulle line.

Mr. Macquarrie: I am aware that I have limited time to speak on this very large bill. I am not going to say all that I would like to regarding the question of communications, but I would like to say a word about regulations. Every so often I note in the minister's speeches that he refers to the importance and need of control as we become more and more integrated in the so-called global village. The minister has stated we would not have regulations for regulations sake. I fervently hope not!

It is of the essence that we move quickly into the satellite field, not only because we need an exercise in technical competence for

our people and not only because we must get what is rather strangely called a parking space for our satellite. There is no shame in mentioning that there are also good and sound financial reasons why we should get into this field early. There is revenue to be gained. There is, one might say, gold up in "that thar" space area. It is conceivable, because the minister is having trouble with his Post Office Department, that he might be able with his right hand to drawn on something which might help the deficits on his left. I want him to know that when he is able to move on the implementation of a Canadian role in domestic satellites he will find every support and every encouragement from me.

• (3:00 p.m.)

I noticed the hon. gentleman's reference to the vision of the north. He paid a very fine tribute to the former leader of our party, the right hon. gentleman from Prince Albert. I concur in that. I would only say in passing that that right hon. gentleman, while he was prime minister of this country, was capable not only of looking to the north but he also looked to the east and to the west. The people of the maritimes and the people of the prairies remember this very well and very vividly.

With reference to the Post Office, I hope we are not going to have a development whereunder the Post Office Department will become the step child of the communications department. I note very carefully what the minister said in their regard on page 4 of his statement. He said that "at least until its future is defined," the Post office will not become one arm of an integrated Department of Communications headed by a single deputy minister. I repeat that phrase, "at least until its future is defined." The thing that would frighten me is that it would become the left arm, the weak arm. I have the nagging thought on occasion then I note the minister talking about telephones in the sky and interesting developments in foreign policy, that perhaps he is diverting his thoughts from some of the real problems in the Post Office. I would not impute motives. Of course, you cannot do that. It is ungentlemanly. But I wonder if he might be engaging a bit in diverting the thoughts of the patrons of the Post Office Department from the problems which his policies are visiting on them.

We want satellites in the sky. Good Lord, we are all for that, but we want mail to move rapidly on the ground as well. There are some things happening in the Post Office of late which would cause people to wonder if somebody does not have his mind on something else while these things are developing. The imposition of the five day delivery has been changed in time and in scope. The original plans had to be abandoned. I wonder if the whole thing may not yet have to be abandoned.

I do not know whether I am plugged into the computer age, but I find it difficult to be convinced that you can move mail as rapidly by processing it five days out of seven as six days out of seven. This is a thing that has not yet been demonstrated by the backlog of mail in many parts of Canada. The half million letters lying around in Montreal were not only for the people of Montreal. Mail laid up in any important centre is inhibiting delivery of mail all over the country. This is very important and very serious.

There was insufficient consideration for the needs of letter carriers on the sort-through system. Without going into details, I would say there was insufficient consideration of very basic needs and working conditions of the most elementary kind. I am not at all surprised that there is controversy and indeed adjudication over this matter right now. There was insufficient consideration of the categories of mail which cannot properly be processed under the five day system.

I read in the Ottawa *Citizen* of February 26 a great concern expressed by medical people. I quote from the article in that newspaper:

> Medical laboratories fear some patients may be endangered by the cut in mail delivery from six to five days.
>
> Specimens mailed by doctors to the laboratories on Fridays will not undergo tests until Monday or even Tuesday.
>
> Patients could wait almost a week, instead of about three days, to hear the verdict.
>
> Another danger is that specimens will break down chemically or be affected by temperatures while lying in Post Office stations an extra day.
>
> A change in the specimen could result in some disease going undetected—
>
> "It very well could hamper a diagnosis," said a director of Douglas Laboratory Services, 150 Metcalfe Street. "Doctors depend on us for fast and accurate results."

The director of another laboratory said:

> "It doesn't do the test samples any good to be hanging around in postal offices another day... There could be a chemical change in some of the substances, particularly the proteins—they can break down very easily."

So, this is a very important question that was obviously not considered, although the

Post Office must have been carrying laboratory supplies for a good many years.

I think, Mr. Chairman, and I have said this before—I have not been alone in saying it—that I find many Canadians are saying there is too little concern for purely Canadian publications under the impending new rates, particularly the non-profit publications. The minister has heard about this very directly and critically from some of the largest bodies of people in Canada, most recently the Canadian Labour Congress and the Canadian Federation of Agriculture.

Learned societies and many people who publish scientific and technical journals have tried to point out their problems. Some have expressed anxiety, and that is a mild word. It is known that Canadian associations of professional men have great difficulty in getting out publications, but they also have great need to get out publications. It is also known, and I am sure the minister knows this, that many of these publications are now already subsidized out of general membership funds.

Even in the electric age, even if the satellite is functioning, beaming messages and programming magnificently, the printed word is still of importance.

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

Some hon. Members: Carry on.

The Deputy Chairman: Is it agreed that the hon. member may continue his remarks?

Some hon. Members: Agreed.

Mr. Macquarrie: I must apologize, Mr. Chairman. This is the first time in 11 years I have ever gone beyond the set limit. It is only in emulation of the minister. However, I take the responsibility. His is the example; mine is the responsibility! I thank the House for its courtesy.

I would just like to say that on the question of publications there is a new and important element which is worthy of the most serious consideration and that is that in many fields the government itself has its own publications. The farm organizations try to get out their farm letters and magazines, and they have great difficulty because of the new rates. The Department of Agriculture brings out its bulletins under the franking privilege, which it has every right to. The people interested in international affairs have trouble getting out publications, but the minister's department gets out a magazine every month which contains the speeches of cabinet ministers. I do not think the Postmaster General has ever appeared in it, but others do who have more orthodox views. But you would not find much of the criticism of people like Professor MacNaught in that, so the people interested in a discussion of public matters will find that certain vehicles of opinion will not appear for their consideration; that organs of thought will be forbidden because of repressive rates from expressing views contrary to what might be described as the official line. This is a very serious matter.

The same thing applies to labour organs. Many people tell me that if these rates are not withdrawn many groups will have to depend for their member readership on the production of American magazines which are brought into Canada and, of course, carried free by the minister's employees. I repeat that this is a very serious matter.

We try our best, when we think about it, to develop the Canadian identity in thought, culture, and so on. Yet these measures are making it extremely difficult for Canadian ideas, Canadian ideals and Canadian points of view to be expressed by people with opinions and with a contribution to make.

• (3:10 p.m.)

Therefore, the competition which always is heavy from United States publications which have a much larger circulation is being made more difficult by competition from the government itself. The minister of communications, in my opinion, has responsibility for this. Surely, he has the responsibility, if his new portfolio is to mean what he seems to imply for the furthering and assisting of the transmission and communication of ideas. It is that of course which makes a nation breathe; the stimulation of thought and development of opinion whereby a democracy can become healthy. So, I bring this responsibility to the minister's attention.

I shall close my remarks by wishing him well in his new portfolio and in all the speeches he will be making in the future on whatever topic.

Mr. Schreyer: Mr. Chairman, the hon. member for Hillsborough has shown a very profound and genuine interest in the field of communications policy. He told the house he would speak for only 20 minutes and then proceeded to speak for a much greater length of time only because, as I say, he has this

genuine interest in the matter under discussion. If I speak for a shorter period I hope it will not be taken to mean I am any less interested.

I should like to begin by saying that I think it augurs well for the future of Canadian communications policy that this department will have at its head the former Postmaster General. The minister has the reputation of being a no-nonsense type of man who is action oriented. The minister, for some time now, has been involved in this new area of responsibility. We hope before the passage of many months he will be able to use his energies to come up with a communications policy that will have much greater definition and precision than is the case at the present time.

I for one feel it is rather difficult to speak on the merits of the bill before us because it refers to the creation of a new department of communications but does not mention the policy which will lie behind the department. This policy will have to be implemented and administered by the minister and, in large part, it is still an unknown factor.

I should like to make reference to some comments made yesterday by the Leader of the Opposition and by my leader when they said, in effect that a bill to reorganize various government departments in itself means very little. I would go further and say it means almost nothing until such time as we can see clearly what kind of policies these departments will be putting into effect. Fortunately, in the case of the department of communications there seems to be something genuine about reorganization. It is logical that we should consolidate the Post Office Department and certain other communications branches under one minister in one department. It is more logical than certain other aspects of the reorganization bill which is before us.

I do not mind saying that I believe the reorganization of other departments into a Department of Regional Economic Expansion will likely be a hoax. The references that have been made in the past few days to the government being committed to some kind of new policy in respect of regional economic development or changing the policy with regard to ARDA, FRED and all the other programs, is nothing but window dressing and may well prove to be a fraud. Only a short while ago in this House of Commons we gave approval to the establishment of a Department of Consumer and Corporate Affairs. That, in itself, was a piece of governmental administrative reorganization. Since that department has been organized and headed by the Minister of Consumer and Corporate Affairs the increase in the cost of living in this country has escalated beyond what it was before that minister took office. It seems to me the kindest thing the minister could do would be to remove himself from the office and recommend that the department be disbanded.

When a policy lacks definition one might ask what the point is in having such a department at all or what the point is in having a reorganization to change its name. I do not wish to take any more time in venting my dissatisfaction in respect of many aspects of this reorganization bill because I understand today we are expected to deal primarily with the subject matter of communications and communications policy. I should like, however, to take another second or two to say that my disenchantment with the Department of Consumer and Corporate Affairs and the minister is equalled by my disenchantment with the minister responsible for housing. We can have all the administrative reorganization we like in this area and it will prove to be of no consequence at all so long as we have interest rates which are at the present levels. Only if the government is really serious about doing something relative to interest rates in this country will anything effective be accomplished in respect of housing construction. It seems to me it is futile and is perpetrating a hoax to pretend that the establishment of a task force or division or branch within a department will have any concrete effect on the problem of housing.

If I might return to the establishment of a Department of Communications, I should like to say that I found the minister's remarks earlier this afternoon enlightening and edifying, as they usually are. He used one analogy in particular which I thought was very appropriate. He referred to communications in our time as being the central nervous system of a society. This is an analogy which I like and in which I concur. If communications is the central nervous system of our society, it is all the more important that the government, the political instrument of the people, have some definite and close regulation of and involvement in that central nervous system. I refer particularly to the advent of communications by satellite. The minister said much about this in his speech this afternoon, as he has over the course of the past several months.

We all await with interest information concerning the policy of the government with

regard to the establishment of a domestic communications system by space satellite. Leaving the technological aspect aside, I would be very interested to find out what the government has in mind relative to the ownership, regulation and control of such a system. I can imagine that the minister is under tremendous pressure from the private sector of the communications industry to leave the ownership and management of this communications system to them. Personally, I have nothing against the notion of utilizing the capability that exists in our private sector of communications to the fullest possible extent in research and development. I see nothing wrong with the concept of joint public-private capitalization of this system.

• (3:20 p.m.)

But I hope that if it is to be a joint public-private venture, the government will avoid the error that it made, for example, in the establishment of the Panarctic oil exploration venture. As I recall, 45 per cent to 50 per cent of the capital required for that venture was put up by the government but with regard to control, of the 14 directorships on the board only one was accorded to the government. I am not suggesting that there is any need to have government representation on the board of directors in exact proportion to the subscription of equity capital; but it is rather ludicrous to have the government using the taxpayers money to put up half of the capital and then having only one of the 14 slots on the board of directors. Not only is it disproportionate, but I think it is putting the one government representative in a very difficult position which may prove to be untenable. It would seem to me logical to have more than one, preferably three or four out of 14, for example.

In the case of this domestic communications space satellite corporation, I hope that between now and the enactment of the legislation the minister will correct any mistakes he may have already made if he has, in fact, agreed to have the government put up most of the risk or development capital but have only one or two slots on the board of directors of the corporation. I think this kind of arrangement is simply unacceptable.

The minister should look to the experience in the United States. About six years ago the U.S. Congress threshed out this question at the time of the establishment of the Comsat Corporation. My understanding is that the United States government did not put up very much investment capital, but despite this they have representation on the board of the corporation. This is important. I think the best arrangement, although on ideological grounds I suppose the minister would not accept it despite the fact that from time to time in the past he has sounded like a Social Democrat, for the development of a domestic communications space satellite system would be to have ownership vested in the public through a public corporation.

I do not mind saying that I am one of those who is enthusiastic about the notion that Canada should be developing such a communications system. We should be developing the scientific capability that goes with it. Some of the reasons for my enthusiasm about it are these: First of all, I agree entirely with the assertion made in the white paper tabled last April that this technology, this space satellite system, will enable us to do a great deal in the way of providing programming in both French and English to all parts of the country. It may well serve as an instrument for greater national unity in future years. That is one reason why it seems to me important.

The second reason is that when you look at the coverage provided by present microwave systems, you see that vast stretches of our country are not able to receive communications signals of any kind, television or commercial. With the advent of a space satellite system, for all practical purposes all of Canada, including the vast northland, would be within reach of television entertainment or communications signals of the commercial variety. All parts of Canada would be within reach of these signals. Perhaps because I am a westerner I believe this is very important. Therefore, even if the cost should be somewhat higher in the case of a space satellite system compared with building up a large ground relay system, I believe it would be worth the extra cost. I hope the minister will not let himself be talked out of the notion that the government should proceed, as a matter of firm commitment, with the research and development needed to launch and have in orbit our domestic communications satellite system.

As I said in a speech a few weeks ago, it would be helpful if we had comparative costs as between building a space satellite and a ground relay system which would provide equal coverage. I know it is difficult to compare these costs, but surely the minister concedes that we must have some comparitive figures before us. Otherwise, how is it possible for us to make any valid, worth-while

series of suggestions with regard to the direction the minister should take in this respect?

Even if it costs more, it is worth it. I believe it is important for another reason in addition to the factors having to do with national unity and servicing our north country and frontier areas. The third reason is this. We must do whatever is practically possible, whatever is feasible, to build up a larger pool of scientific knowledge and technological capability in our country. Too often in the past we have seen instances where, because we did not go ahead with a particular project that required scientific expertise, Canada suffered the loss of some of its best scientific minds. Why should we allow this to happen if we have before us a concrete prospect of being able to employ and take advantage of the brains that exist in our country? The benefit and advantages gained would be shared by the country if these people were given an opportunity to work on projects which would use their talents.

I do not want to leave this subject without making some further extensive reference to the matter of a communications space satellite system and the relationship between government and private sectors in developing and owning such a system. I should like to quote to the minister an excerpt from an American business journal. This excerpt bears on the very point with which I am dealing:

> A number of decisions are now coming up—some of them to be made by the F.C.C., some by Congress, some by the White House, and some, in all probability, by the courts—that will largely determine the shape and direction of communication in the U.S. and the world for several decades to come. Hence a titanic struggle is under way, involving an impressive array of private, government, and quasi-public contestants in a bewildering variety of contests. Some of the contests are between governments—e.g., Great Britain and France against the U.S. Within the U.S. itself, some of the conflicts are between different agencies of the federal government—e.g., the F.C.C. versus the Defence Department. Some are within industry—e.g., Comsat versus A.T. & T. Some are between industry and government—e.g., Comsat versus the F.C.C; and some involve quite new and unexpected lineups—e.g., the Ford Foundation versus Comsat and A.T. & T. The stakes are huge—

I repeat that, for emphasis:

> The stakes are huge—for the governments, corporations, and foundations involved, and for everyone who uses the telephone or watches television.

Although this kind of jockeying for position or advantage does not exist to the same degree in Canada, and I have not pretended that it does, one must assume that it exists to some degree. That is what led me to ask just what pressure the minister was under, what pressure he was being subjected to from the private sector and those who were jockeying for advantage in this undertaking. The way in which these questions are decided will determine the shape, not only of the communications industry but of economic developments generally. The decision may set precedents that could determine how technologies as yet undeveloped are to be introduced in the future. I submit that we in Canada should try to avoid the mistakes that were made in the United States in 1962 relative to the communications policy and legislation. In the United States, although the research and development that went into the communications satellite field was and still is largely a product of government financing, and although the promotion of satellite communications is said to be an object of national U.S. policy, the corporation that was eventually established to operate in this area was a private body.

• (3:30 p.m.)

The Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired, unless it is the wish of the committee that he should continue.

Some hon. Members: Agreed.

Mr. Schreyer: Thank you, Mr. Chairman. I will conclude in five minutes. In my opinion the fundamental question is: Who should have the right to put up and operate a domestic satellite system? That question has not been answered in Canada and it has not even been answered yet in the United States. Congress has passed legislation in this general area of communications by satellite, but the question as to who shall own and operate a domestic system in the United States, for example, has been left deliberately shrouded in ambiguity. Almost by general consensus the word is out that it was left deliberately shrouded in ambiguity so that there would be no dog fight in Congress when the bill to establish the concept was brought before it. I hope we can avoid this in Canada. I hope that members of all parties will not go back to the old clichés of yesteryear about private enterprise and socialistic state ownership, etc. The important thing is that if we are to accept the minister's own definition that communication is the central nervous system of our society, what member here can argue with logic and

feeling that it could possibly, therefore, be left outside of public ownership? It seems logical to me that if something is the central nervous system of a society, the society must own its own nervous system. We await with interest the response that the minister and his colleagues will want to give to this question in the next few weeks and months.

I would like to conclude as quickly as I can by posing a number of questions to the minister on the record so that the minister will have something on which to ponder and to which to reply. In addition to the question about the ownership of new communications media such as satellites there are the following questions I would like to put on the record. Is the new department we are creating definitely committed to a domestic communications space satellite system of a more expensive synchronized orbit kind or is the department still weighing the alternative of cheaper types of domestic communications space satellites? There are cheaper kinds in terms of development and launching, but one presumes that in the long run they would not really be cheaper.

Another question I would like to pose is as follows: Is the government committed to a policy whereby television signals, for example, emitted from a domestic space satellite could be received directly by individual television sets, or is the government still considering a system whereby signals from the satellite would first have to be picked up by powerful ground receiving stations or by community antenna systems of one kind or another? I have no doubt that the latter would be much cheaper, but it would also be putting the owners of TV sets in many communities of the country, especially in the northland and in our frontier areas, at the mercy of any private operator of a community antenna system. Of course if the government intends to put up a number of ground receiving stations across the country, that is one thing; but if it is going to send up a satellite whose signal will have to be picked up by a ground receiving station or a community antenna system, either the government must own the latter or else the people who own the television sets will become captive customers of private operators and price regulation will become very important.

There would have to be more government regulation. Quite frankly, if there were a choice between a growing bureaucracy to regulate on behalf of the public and government ownership I would prefer government ownership in this particular domain because it is logical. Since it would be a utility it could well be publicly owned. We have some experience to go by already. If the government pauses to look at the present state of public policy relative to cablevision and if this government is fair, it will have to admit that our present policy is chaotic. I presume the minister will be involved, if not directly at least indirectly, with cablevision and community antenna systems because there is more involved than just television. The broader aspects of communications are also involved in these systems.

I have here a long article that the minister can read at his own convenience. It appeared in a local Ottawa paper a few days ago and states that the growth of community antenna systems in Canada in recent years has Ottawa in a dither. Ottawa is in a dither because there is a lack of a clearly articulated and designed policy. The result has been that over the past few years there has been a proliferation of community antenna and cablevision systems without adequate regulation and public control. When that occurs there can be no surprise that chaos results, which has been the case. All I am saying to the minister is that I hope whatever policy he adopts relative to the television aspect of satellite communication he will not opt for a policy that will leave the owners of television sets in the more remote communities dependant on private cablevision or community antenna operators. For $50,000 these operators can put up a community antenna system and draw the signal from the satellite. They are the only ones then in a position to relay the signals to the set owners. In effect, they have a monopoly, so the public will be at a tremendous disadvantage. Needless to say there is much more that can and should be said with respect to the establishment of the Department of Communications.

I will conclude now by making reference to one other item to which the minister referred, that is that his new department will have a research and development function. This is fine. I am sure the department will be capable of co-operating closely with the privately-owned communications industry and that much good will come of it. However, I want to know whether included in this research and development function of the department

is responsibility for probing into the aspects of new electronic communications systems which affect public health and safety. This is nothing to be complacent about. If the minister thinks the Department of Transport or the Department of National Health and Welfare have been doing a job with respect to protecting public health and safety as far as radiation from appliances used in the communications industry is concerned, he is mistaken. It is generally acknowledged in the United States, where they have been doing much more research than we have been doing in this field, that a great deal is still unknown as far as electronic radiation is concerned.

• (3:40 p.m.)

Today when there is a virtual explosion of activity in the electronics industry and a proliferation of the amount of radiation, the hazards posed to public safety are growing. Unfortunately, there has been no proportionate increase in the efforts of those responsible for protecting public health and safety to provide against this hazard. I hope the minister will take a personal interest in this aspect at least to the extent of activating some branch of his department and encouraging them to look into it. I thank hon. members for their indulgence.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I wish to say a few words on Bill C-173 regarding the government policy in the field of satellites.

We, of the Ralliement Créditiste, are in favour of every form of progress. We shall never do enough as far as education and information of the public is concerned. We are in favour of the greatest possible development in this field. We want every possible step to be taken in order to allow us to collect more and more information and to give the population of Canada the adequate services we need in this era.

The minister asked us: What should our policy be in the matter of satellites? Should the state have complete control over satellites or should private enterprises co-operate with the state? Should the state have complete control over all information? Does it have to take all necessary steps regarding satellites?

Mr. Chairman, I would answer that by saying I do not quite agree with our socialist friends who say that the state must take over everything, do everything and control everything. I say that this applies only to the international field. In the national field, private enterprise has already successfully passed the test, and it has the right to exist. As a matter of fact, it is able to take care of communications, because in education as well as in communications by satellites, in transport or in technology, private enterprise is very much advanced. I believe we would be taking a step backwards if we removed these fields from the control of private enterprise because it can do the job. Is it not true that in a number of areas, it can provide better administration than the state at half the cost?

In that field, as in others, I believe that private enterprise can provide valuable service; honest competition and more diversity. In the case of a single state station, you push the button and get one program only; however, what we need is the possibility of pushing several buttons and getting several stations.

At the present time, private enterprise is active in the fields of communications and transport, as well as in others, and it plays its part adequately. It pays taxes to the government, contrary to the Crown corporations, since, in their case, the enterprise is the government. The only source of income allowing the government to make up the deficits of those corporations is the taxpayers' contributions, since such corporations do not succeed in administering themselves as economically as private-enterprise.

Mr. Chairman, I am not making that up. As everyone knows it can be proven that private enterprise can operate more economically than the government because it looks after its own business. In private enterprise the owners have control while in state owned companies every citizen is boss and owner. Employees of such undertakings do as they please and that explains why such companies cannot compete with private enterprise.

Mr. Chairman, with regard to financing these satellites or agencies, we approve the millions spend on them by the government, because I do not know exactly how much they will cost. I speak of millions because millions of dollars have already been mentioned. Since it is a question of public funds, those millions should be used only to liquidate the national debt, so as to avoid having to pay endless debts, at interest rates of 8, 9, or 10 per cent on the millions we will have to borrow to build communications satellites, which will benefit a few people at the most. The government must assume its responsibilities in this field. The minister should

insist that the millions he needs be provided by the federal bank, carrying the administrative costs only, and not at the fantastic rates of interest which are current today. Such rates represent nothing less than exploitation of the people and serve to throw out of balance the country's whole economy.

Mr. Chairman, if this government company is unable to find the necessary funds at a reasonable rate of interest, we will oppose this program, because it is a matter of saving the nation rather than putting it in a straitjacket. It is not fitting to compel the present and future generations to pay eternal debts. If those debts were reasonable, as well as the rates of interest, we would agree, but we are primarily for progress. And as I was saying earlier, we can never do enough to promote development and education for our people.

We have an urgent need of satellites, these modern means of communication, but if it is physically possible to establish them, it should also be possible to finance them at a reasonable rate of interest, in the same way as external aid, by lending them the money, free of interest, for 50 or 70 years.

I think that the same thing could be done with the telecommunication services needed by the Canadian people. We agree with the minister that they should be established, but on the other hand we do not want them to create hardship through the imposition of more taxes on the taxpayer.

That is the situation now. We should be able to provide these communication media for the country through low interest loans. The minister should work in this direction by including in his program—

Mr. Mongrain: Mr. Chairman, I rise on a point of order.

I just heard the hon. member for Compton make an uncorrect statement, and knowing his concern for truthfulness, I wish to give him some information so that he will no longer make wrong statements.

• (3:50 p.m.)

He speaks of companies which are taking unfair advantage of the government. However, the Canadian Overseas Telecommunication Corporation is a Crown corporation which never showed a deficit. Moreover, it was about to ask the government for $5 million this year to ensure its normal expansion and it has just stated that it would not need it and that it can operate through its own returns. Thus, the hon. member is not entitled to say that government companies are taking unfair advantage of the government.

Mr. Latulippe: Mr. Chairman, I do not know whether the hon. member for Trois-Rivières is a newcomer in this house, but I believe he is not very conversant with that matter, because I can refer to several Crown corporations that do not succeed in operating by themselves, that run at a loss and are financed with the tax payers' money. If he is not aware of any, I am. So that is how I reply to the hon. member for Trois-Rivières (Mr. Mongrain).

I should also like to deal with community antennas. Someone said that the satellites will put out signals which will be picked up by community antennas. Once again, our friends of the New Democratic party say that those community antennas should belong to the state.

Several community antennas are now being operated by private enterprise, and they give very good service at fairly reasonable rates. I do not feel the state should step in and take over the responsibility of controlling everything.

The state should allow private enterprise to enter the field of communications by community antenna and get its share of the profits to be made. Indeed, individuals have the right to make a living. The government is not the only one who has the right to live, levy taxes and take money away from everyone. Private enterprise must find the money somewhere with which to pay government taxes. It is unthinkable that the government should take over all the profitable businesses, leaving only crumbs to private industry, and then depend on taxes from private enterprise to operate state undertakings.

Private industry has the right to live and to make reasonable profit. It has the right to exercise controls and to do business with other profitable enterprises. The State gets hold of everything. In the provinces for example, every efficient business is under the control of the provincial government.

The government controls the buying and selling of alcoholic drinks. It also controls electricity. Then, the citizens are taxed to pay for these controls and nothing is left to them. In short, they have no longer the right to live.

I wish to make a few remarks on this subject, Mr. Chairman. I would like corporations dealing with community antennas to enjoy the same rights they enjoy today, when that corporation is established. Again private enterprise should have the right to play a part in the development of the state in the fields of communications and transport. Private enterprise has certainly some rights and I think that we would go backwards if we did not allow these corporations to live and to operate properly what they can operate and to give the services that they are as capable as the state of giving.

As far as big business is concerned, Mr. Chairman, I think the state must exercise that control, as it were, because this responsibility is too heavy for private enterprise. As for everything that is not too expensive, the state should let private enterprise deal with it.

Mr. Chairman, thanks to satellites, we will have access to new mass media and we need them badly. All these mass media, all these instruments of publicity, and education should be available to the people. Indeed, it is for the government to provide them with these means. Again, as I said earlier, we should leave to private enterprises its due share in those fields. The state would then truly act as a pater familias. A father must not take everything for himself without leaving anything to the rest of the family. Every member of the family has the right to live.

A father must do his best to enable each and every member of the family to fulfil himself and freely enjoy the wealth of the family.

The Chairman: Order.

Mr. Latulippe: I shall conclude by thanking you, Mr. Chairman. Private enterprise—

[*English*]

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

[Mr. Latulippe.]

PRIVATE BILLS

CANADIAN ORDER OF FORESTERS

Mr. Hyliard Chappell (Peel South) moved the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-18, respecting Canadian Order of Foresters.

Mr. Deputy Speaker: Order. Is the President of the Treasury Board asking for the floor?

• (4:00 p.m.)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I apologize for not rising a little earlier. May I ask the unanimous consent of the house to revert to motions in order that we may receive a message from His Excellency?

Some hon. Members: Agreed.

Mr. Drury: I beg your pardon, Mr. Speaker. I was under the impression the table had the requisite document. Perhaps we could defer this matter.

Mr. Chappell: Mr. Speaker, Canadian Order of Foresters was incorporated under Ontario law in 1879. It is a non-profit society which issues policies of life insurance to its members. It is exclusively Canadian, with head office in Brantford, Ontario. The objects of the society as set out in the constitution include, "to unite fraternally into the Order—for mutual fraternal benefits." Those benefits include the maintenance of an insurance fund.

The society was registered with the federal department of insurance under part V of the Canadian and British Insurance Companies Act, Revised Statutes of Canada, 1952, as a provincial society. It transacts the business of life insurance in all provinces or parts of Canada. There are about 40,000 members in Canada.

Although the society had its beginning in Ontario, over the years it has extended into almost every province and now little more than one third of its branches are within Ontario. To facilitate the operation of the society in all provinces of Canada, it is desirable to make the society subject to the provisions of the Canadian and British Insurance Companies Act respecting fraternal benefit societies as if the society had been incorporated by special act of the Parliament of Canada.

The change is further desirable because the identity of the society as a purely Canadian association operating only within Canada would be strengthened. In addition, administrative work would be simplified.

The Canadian Order of Foresters Act, 1968, a special act of the legislative assembly of the province of Ontario, which was sponsored by Mr. Makarchuk, N.D.P. member for Brantford, Ontario, authorized the society to bring this petition which, if granted, will have the effect of terminating its Ontario corporation.

What the society requests could be accomplished by incorporating a new federal society and then selling the assets of the provincial society to the federal society but this would involve a great deal of administrative work and expense in the transferring of thousands of mortgages from the Ontario to the federal society as well as in the transferring of policies and matters to do with the investments of the society.

To avoid the expense of continuing as a provincial society doing business in the other provinces or incorporating a new federal society and then selling or transferring assets, the society requests a change or an amendment to its corporate life in order that it may continue as if it had been incorporated in the first place by special act of the Parliament of Canada. To put it another way, the society is asking for a special act incorporating it as a federal society under the name of Canadian Foresters Life Insurance Society and, in French, Forestiers Canadiens, Société d'Assurance-Vie.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as is customary we feel that applications for this type of incorporation should pass the second reading stage after the sponsor has made his explanation. This matter is to be referred to the Standing Committee on Finance, Trade and Economic Affairs, where witnesses will appear and go into the matter in detail. We, therefore, reserve detailed comments on this application until the bill appears before the committee. I recommend that the house give passage to the bill and refer it to committee.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to address a few remarks to Bill S-18, an act respecting Canadian Order of Foresters. I do so not because I wish to oppose the organization of the Order along the lines of an insurance company but because there seems to be considerable dissention within the ranks of the organization with regard to what is being applied for in this bill. As I understand it, the Canadian Order of Foresters is seeking merely to change its form of incorporation. It wishes to operate under a federal instead of a provincial charter.

As many hon. members are aware no doubt, Canadian Order of Foresters is a fraternal benefit society and many of its members wish to preserve the fraternal aspect of it. I am informed by society members that the executive and rank and file membership disagree about certain steps that ought to be taken. Some members allege that the executive has acted in a high handed manner which borders on the improper. Although notice of intended action was given to the membership it was felt that, considering the time of year it was given, what was done barely met the terms of the constitution. The rank and file consider the notice inadequate.

When this bill was before the Banking and Commerce Committee of the Senate, Senator Grosart, I believe, in questioning a witness appearing on behalf of the executive, was assured there was no substantial body of opposition within the society to implementation of Bill S-18. It was also said that there was no significant opposition with respect to what the executive of the Canadian Order of Foresters proposed to do.

I am in no position to say categorically that the executive acted wrongly, but I am in a position to say that members of the organization feel quite sincerely that during the last two years the executive has acted in a high handed manner to suit its own convenience. The executive, further, seems determined to extend fewer and fewer privileges to the rank and file members and to convert the Canadian Order of Foresters into a full fledged insurance company. The rank and file maintain that they want the fraternal aspect of the company kept alive. They do not want the society turned into an insurance company only. They object to the drastic curtailment of the number of lodges, or courts, as they are known.

• (4:10 p.m.)

The executive has tried to disband existing courts. In some cases they have amalgamated courts in order to reduce the number of delegates representing lodges at a new convention. The next convention of the Canadian Order of Foresters will be held this July in Edmonton. It is the intention of the delegates attending this convention to discuss with the existing executive of this organization many

points including the procedure followed by the executive in seeking a transformation from provincial to federal charter. I cannot explain, Mr. Speaker, why more information has not been given to hon. members by form of letter or circular from members of the local courts who feel opposed to the bill and to the recent action taken by the executive. This body of opinion exists.

I intend to quote from a circular prepared by the Foresters Information Committee, P.O. Box 636, Winnipeg, Manitoba. Part of this circular relates to internal operations of the organization, but part bears directly on this bill and points out the present mood that exists within the organization towards the executive. I quote:

To the officers and members of all courts of the Canadian Orders of Foresters:

Please have your Court consider the attached Notices of Motion which have been sent to High Court for debate at the High Court Meeting at Edmonton in July, 1969.

I would emphasize the following:

These motions are designed to bring back to our Subordinate or Local Courts and their members the authority that is rightly theirs. There are changes being initiated by the Executive that will, if unchecked, destroy our Court system. The Canadian Order of Foresters will then be a fraternal society in name only.

There are strong feelings on the part of many members regarding this point. I continue quoting:

Surely your Court cannot calmly watch the reduction of our Courts from 700 a few short years ago to somewhere around, or less than, 300 and still reducing in numbers.

Our Executive—

This refers to the headquarters organization of the Canadian Order of Foresters.

—now boast they do not disband Courts any longer. They simply amalgamate them. What a farce that is. Tell that to a Court that has been forced to amalgamate (and we believe most amalgamations are forced) with another Court in another town with which it has no natural connection. Sometimes these areas are 20 -30, 40 or more miles apart. When this happens, that Court has been disbanded.

The circular then goes on to deal with other proposed notices of motion for changes within the internal constitution of the organization. There is one more paragraph contained in this notice to members which I would like to put on the record:

There is no reason why members and especially delegates should not know who attended a High Court meeting, what courts they represented, and their addresses. This information has been refused by High Court. It should be available.

[Mr. Schreyer.]

The net effect of all this, Mr. Speaker, should be to point out to hon. members that there does exist an obvious and significant difference of opinion between rank and file members of this organization. Many members feel rather strongly about the fraternal society aspects of this organization, the function of the local court in the social life of their own town and the prevailing attitude within the executive. I understand the executive is now of the view that they must sell insurance and not bother with the fraternal court aspect of this organization. I do not think we as members of parliament, should take any action that will either intentionally or unintentionally have the effect of siding with one of the two sides in this disagreement.

We should not pass the bill at the present time; it should be left in abeyance for six months until after the biennial convention of this organization in Edmonton. The membership of this organization should decide whatever action they propose to take by majority vote. The results of this vote could be communicated to this house and if it is the intent and wish of the majority of delegates, the bill could be re-sponsored.

I wish to emphasize the fact that the authority which the executive feels it has is being questioned and challenged by some members who have spent many long years in this organization, who have attended conventions and high court meetings for many years, who know the organization intimately and have some feeling of attachment to it. Some of these people feel strongly opposed to the action being taken by their executive and they oppose the passage of Bill S-18 at this time. Do hon. members have the right to deliberately or otherwise show favoritism to one of the two opposing groups?

I do not think it will harm the organization to delay this bill six months. The convention will be held in four months at which time the membership could make their own decisions. Once this matter has been properly decided in their own organization, the bill requesting a federal charter could be re-introduced in September or October. A witness appearing on behalf of this organization assured hon. Senators that the requirements of their constitution relative to the procedure they must follow had been followed. I suggest it was abided by in the most technical way possible and that there was not an adequate opportunity for the full membership to have any say in this connection.

• (4:20 p.m.)

For these reasons I do not feel I am asking my colleagues to do anything rash or out of the ordinary when I simply ask them to withhold making any judgment in this connection, and to withhold giving consent to this bill for a few months at least.

[*Translation*]

Mr. André Fortin (Lotbinière): As for us, of the Ralliement Créditiste, we do not object to Bill S-18, entitled an Act respecting Canadian Order of Foresters, being carried on second reading, for the simple reason that the passage of this bill would allow us at the committee stage to examine its consequences more thoroughly than we could in this house.

Mr. Speaker, we are pleased with such a move which would enable the Canadian Order of Foresters to obtain a federal charter, in order to increase its social endeavours and to give Canadians in other provinces the increased benefit of the services it now provides to the people of Ontario.

Mr. Speaker, we would be pleased to see this bill carried on second reading, mainly on account of the "brotherhood" aspect of that corporation, as we are in favour of any measure to encourage groups whose guiding principle is brotherhood or co-operation.

Therefore, we support this bill and we would like it to be carried as quickly as possible on second reading, whereupon we could consider it clause by clause in committee, and finally approve the motion for third reading.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was very surprised on reading the proceedings in the Senate where this matter had been raised to learn that the question was asked which has to be asked in all cases, a question which is probably in a much different category with respect to a mutual insurance company than it is with respect to general life or general insurance companies.

In our form of government, the parliamentary agent has not really been an effective instrument. In England, the parliamentary agent is governed by very stringent legislation. Part of the responsibility of the parliamentary agent is to ascertain that certain steps which must be taken before officials of a company are able to take a specific action, have been taken. But in Canada it is doubtful whether the parliamentary agents have personally met with many of the people they represent, and I believe they serve only a very dubious function in our parliamentary and committee system.

However, as the committee system grows this will have to change. In this instance, it is very important that we have the type of protection that the parliamentary agent should provide by being able to assure members of the House and of the Senate, the sponsors of bills and others, that he has gone through the documents necessary for the filing of a petition and can say that matters in connection with them are correct in every form.

I notice, as recorded in the Senate *Hansard* of November 26 last, that Senator Grosart asked the question that is now being asked by the hon. member for Selkirk (Mr. Schreyer), as to whether the steps necessary in establishing this change in the act had been taken. At that time the sponsor of the bill said he did not know, but he would check and would be in a position to say yes or no when the bill came up before the Senate Banking and Commerce Committee. When the matter came before the Senate committee the spokesman for the company, Mr. R. T. S. McIntosh, general counsel of the Canadian Order of Foresters, said:

> First of all I would suggest that by the constitution the members of the fraternal organization and the policy holders are one and the same. There are different classifications of members, but the beneficiary members—that is, those who have voting privileges—are one and the same. I believe this is the answer to Senator Grosart's question which appears in *Hansard* of November 26.
>
> He also wished to make clear to your committee that the provisions of the constitution had been fully complied with in all respects. The proposal to proceed with the application now before you originated from the Need and Welfare Committee of the Canadian Order of Foresters, which is composed of the membership itself. They suggested before and after the last biennial meeting, the last general meeting of the membership, held in July, 1967, that this be proceeded with. Following that presentation of the committee the matter was considered by the Executive Committee, and it was then suggested by the former Senator Ross Macdonald, who was legal counsel at that time, that every possible step should be taken to see that this was brought to the attention of each and every member of the Order of Foresters, of whom there are some 40,000.
>
> The matter was then dealt with by the Executive Committee, who announced the holding of a special general meeting of the membership, which was ultimately held on February 1, 1968. Notice of that, in accordance with section 5 of the constitution, was duly sent to our subordinate courts and to each of the recording secretaries. The resolutions proposed to be dealt with at the time of the general meeting were outlined and were also sent with the notice.

Private Bills

In addition to that, notice of the general meeting to be held on February 1 was also published in a magazine that periodically goes out to each of the members, so this reached each of the members personally. All this was in accordance with the provisions of section 5 of the constitution, which states that 60 days' notice of such meeting must be given. The notices went out on November 15, 1967, which was in excess of the 60 days' notice required.

In addition to the general beneficiary members there is also a classification of affiliate members. These are individuals who do not belong to a local court; they are not sufficient in number to belong to a local subordinate court of the organization. Section 40 of the constitution, which deals with affiliate members, states that there must be 300 of them in any province before there is an association, say, of the affiliate members.

Notice was given to each of the affiliate members in the provinces of Ontario and Quebec on November 13 advising of a general meeting to be held on December 1, 1967. Twenty-five members constitute a quorum of affiliate members, but there was no such quorum at either of the meetings held in Ontario and Quebec. Incidentally, none of the other provinces is affiliated in this respect. Therefore there were no appointees of affiliate members because they did not have a quorum.

I would therefore suggest that proper notice was given in accordance with the constitution, and further that it was publicized in the magazine that goes out to each member to ensure that every member had full and adequate knowledge of the meeting on February 1, 1968. The meeting was then held. The resolutions were considered in detail; they were voted upon and received approval of more than two thirds of the voting members there, again fully in accordance with the constitution. Following the meeting of February 1, a notice was again sent out to each member, and again published in the magazine, advising each member that the resolutions had been passed.

Senator Pearson: What is the percentage of the voting members compared to the regular members?

Mr. Beaudoin: About 5,000 out of 40,000.

This, of course, is the crux of the matter. This is a fraternal organization and certain steps must be gone through to comply with the wishes of that organization. It seems to me that there is a considerable change involved in moving this insurance company out of the position it has held as a fraternal organization under the provincial government and granting it a federal charter. This is particularly so when we realize that it really was constituted before the change in the Insurance Act and therefore has the benefit of the provisions of the federal legislation prior to the early 1940's.

• (4:30 p.m.)

A number of changes are to be made which are fairly important. Most of us are aware that fraternal organizations should operate their own business in their own manner; but their constitution is very important. If you note the statement made by the representative and general counsel of the Canadian Order of Foresters you will see that in each case when he was talking about the calling of a special meeting he did not say each and every member had been informed through the magazine of the decision of the general executive which heard the representations at the annual convention or that executive were charged with bringing forth a number of resolutions in keeping with the discussion at that time. This is not what happened. The general counsel did not place the resolutions in the magazine for the knowledge of the general membership. What he put in was a notice that there would be a meeting and discussion of this general subject on February 1.

It seems to me there is a great difference between the publication of resolutions and the permission for lodges to make a decision concerning whether or not they wished to send representatives to oppose the holding of a general meeting for the purpose of discussing a subject the details of which are not within their knowledge. I believe the sponsor probably could clarify this matter if he would indicate, as has been done on a number of occasions what information was given to the general membership. Then, we would know that the terms of the fraternal organization and the terms of the right of an organization to petition parliament had been followed. In respect of an organization which is spread all across Canada, I do not consider 4,000 or 5,000 people from one general area to be sufficient representation for that organization. The leader of such an organization, especially when he is located far away from the individual lodges, could conceivably come to this parliament to ask that legislation be passed to allow the organization to become a common insurance carrier to provide insurance to anyone under such rules as the executive may establish.

One might ask where they would get the money. They would not have to get it off the street. They have it already. This is an old established organization. It would be very easy for someone who wished to obtain control of the organization to operate the organization for his own benefit. The information I have and some of the information given by the hon. member for Selkirk (Mr. Schreyer) would indicate that this may have happened. I, therefore, do not believe there would be any particular hardship on anyone except the

members of the executive if it were necessary for them to delay the passage of this legislation until this fall. I would think the sponsor might consider this. Also I believe the hon. member who spoke favourably about referring the matter to the committee might be interested in this particular proposition because he is well aware that the convention is to be held in his home town in July of this year. Therefore, he should be able to attend the convention as a member representing that area. Then, he would be in a much better position when he returns in the fall to tell us whether or not in his opinion the executive have been given the authority to do this.

It is unfortunate that our private bills legislation does not carry with it the obligation to provide the information that would normally be provided in England. It bothers me when a fraternal organization comes before us and we receive correspondence which indicates the members are not in the least satisfied with some of the things that are going on. One motion which has come to my attention is in respect of subsection (6), section 8, page 9 which reads as follows:

This would allow any employed officer of High Court to run for an Executive position. There is reason to believe there are those, who because they are deeply disturbed by the direction our Fraternity is going, would contest seats on this Executive. Why refuse them this chance?

This relates of course to the argument that the general executive is not operating in the general interest of some of the lodges. It seems to me this is an indication they are not completely satisfied. Then, there is another motion which relates to subsection (5), section 8, page 9, which states as follows:

There is no need for such a subsection in our Constitution. If these officers are doing a good job the members of the Canadian Order of Foresters will re-elect them.

If they are not, why restrict replacing them to only six people from amongst our many thousands of members.

As long as the Subsection is in force it will prevent our Society, even if the need should ever arise, from quickly ridding itself of leadership that is poor or unresponsive to the needs and wishes of the Canadian Order of Foresters as a whole.

The Canadian *Forester Echo*, official publication of the Winnipeg council, for March, 1968 contained this headline:

Brantford High Court Delegates Defer Final Action Till Edmonton High Court in 1969. High Court Officers Claimed Ignorance of Federal Insurance Act Regulations.

The article goes on to outline the fact that the executive did not have the answers. And then the article reads:

One delegate's comments were that the officers seemed to answer most questions with "perhaps, maybe, not sure, don't know, never heard of this, etc."

• (4:40 p.m.)

These facts have emerged. Our executive had approached the federal Department of Insurance about a federal charter in January of 1964. This is a full four years before the Brantford High Court meeting. A regular High Court meeting was held last July in Hamilton. Despite the importance of a federal charter and name change, they were not mentioned in the motions for July.

In other words, at the Hamilton meeting these matters were not raised, although they had been raised originally by the executive in 1964.

These items were introduced to the July convention by a Good and Welfare committee report (which report we all know is prepared by the High Court officers) in the dying moments of the session. The delegates accepted this report to let information of the issues at stake.

As near as we can make out, it seems instead of investigating the executive actually tried to incorporate federally. But a committee report was not enough for the federal Insurance Department, they insisted on a proper notice of motion.

Next High Court calls a special High Court meeting at Brantford.

Here is the comment from a court delegate "notices were sent out at a time when the High Court knew that it would be hard to arrange meetings for delegates elections" also "the meeting day itself is the most inconvenient day of the week."

High Court called a meeting but gave no facts. The members of our society should not be denied information of the issues at stake.

Head office treats the courts like children "you can be seen but not heard, you can listen but not talk." Can we be blamed for thinking that head office's attitude is "If the members know nothing, they can say nothing and if they say nothing they can do as we please." The courts in this area initiated an investigation of the issues and found good reason to oppose the motion at Brantford.

Our delegates to Brantford have effectively stopped either change of name or charter until it can be debated at Edmonton.

This was done by adding a section to the original executive motion that defers final action on the questions until the High Court meeting in 1969.

If they have deferred action, the sponsor of this bill is not aware of it. Certainly, the Senate were not told that the Brantford court felt it had been able, by certain action taken under their charter, to stop this action. If we pass this bill the matter will not be referred to the convention at Edmonton in July of this year. Yet, the people who have investigated

the matter seem to think they can discuss it and make the final decision at Edmonton.

We are dealing with an organization of fraternal members, benevolent members, members who belong to the beneficial side of an insurance company. They have the right to make the decision and use the machinery with which they are provided. This is not being allowed them. This article continues:

> Between now and Edmonton High Court every member should ask "Why was full information as to the effect of these proposed changes not sent out to the courts?"
>
> "What right has the executive to call a meeting to change our charter act, etc., if they do not know what these motions will do to the Order?
>
> All should ask—

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that his time has expired. The hon. member for Spadina (Mr. Ryan).

Mr. Peters: Mr. Speaker, could I ask the indulgence of hon. members to put on the record just a few more remarks made by the Brantford council, because I think it is important and I may be the only one who has this information?

The Acting Speaker (Mr. Richard): Has the hon. member the consent of the house to do this?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Richard): The hon. member for Spadina.

Mr. Peters: You don't want information, eh?

Mr. S. Perry Ryan (Spadina): Mr. Speaker, this bill, S-18, should not be impeded in its course, particularly because it is going to committee in the customary way. This is a simple rearrangement and is being made, as I see it, strictly for the purposes of convenience.

Mr. Peters: The convenience of whom?

Mr. Ryan: An Ontario charter will be replaced by a federal charter. It is a simple matter of rearrangement. My hon. friends across the way, despite all the verbiage, are simply making, I submit, a very large mountain out of a very few small molehills. There is every thing to be said for the passage of this bill. I think it has been said pretty well by the hon. member for Peel South (Mr. Chappell). I am assured by the hon. member for Peel South that he has sworn declarations in his file which prove that all the necessary legal proceedings of the company were carried out with propriety in this connection.

We have the further assurance of legal counsel in this respect. An Order of this size, and as responsible as it is, would not attempt to put through a rearrangement of this kind without proper legal advice. The hon. member for Selkirk (Mr. Schreyer) must realize that the other place must have been thoroughly satisfied in this respect.

There are across Canada 40,000 members of the society affected by this measure. I understand that about one-third of them are in the province of Ontario. The head office of the Order is in Brantford, Ontario. The strange thing is that Mr. Mitro Makarchuk, the N.D.P. member of the Ontario provincial legislature from Brantford, sponsored the first part of this rearrangement by helping process the necessary bill through the Ontario legislature. In fact, he led it through.

An hon. Member: Shame.

Mr. Ryan: So what goes on in this connection? Does the Socialist, two-headed, fire-breathing dragon, not know what is happening? Does one head not know what is going on in the other head? Why this quibbling by the hon. member for Selkirk (Mr. Schreyer) and the hon. member for Timiskaming (Mr. Peters) with regard to such a routine matter? Are there subsequent bills that the hon. members opposite are trying to block? Is this the answer? Why this filibuster? This is the kind of ploy which makes one wonder just what kind of marbles rattle around in the noggin of a Socialist. This bill should be sent to committee without further ado.

Mr. Frank Howard (Skeena): Mr. Speaker, I listened very attentively to the hon. member for Spadina (Mr. Ryan). I heard the very best reason one could possibly hear from him as to why we should not proceed with this bill—the simple question of the difference of opinion as to whether things were, or were not, done properly.

Mr. Ryan: Mr. Speaker, would the hon. member permit a question?

Mr. Howard (Skeena): I would be very happy to accept a question.

Mr. Ryan: Does the difference of opinion exist between the federal arm of the N.D.P. and the Ontario arm of the N.D.P.?

Mr. Howard (Skeena): There is one thing I would like to say to the hon. member for Spadina. I appreciate the narrow concept he has, belonging to the party to which he belongs, and the difficulty he has in understanding this; but we do not deal with things on the basis of politics. We deal with them on the basis of propriety and what is correct.

Some hon. Members: Oh, oh.

Mr. Howard (Skeena): If a member of the legislature of the province of Ontario, who belongs to the same party to which I belong, advances a certain course of action, this does not mean, as it does in the Liberal party, that everybody bows down and says, "That is correct". We do not have that sort of suppression of thought in our party. We are independent-minded in this party. We are concerned about what is correct with regard to this organization.

(4:50 p.m.)

Am I to accept the declaration of the hon. member for Spadina (Mr. Ryan) that he has been informed that the sponsor of the bill, the hon. member for Peel South (Mr. Chappell), has affidavits in his possession that everything is hunky dory and correct, or am I to believe what is in the official publication of the Winnipeg Council, the *Canadian Forester* dated March, 1968 which points out that there is a serious difference of opinion as to whether the proper thing was done, and raises serious objection to the manner in which the executive were operating? The editorial signed by the editor goes into great detail and says that everything was not right and correct so far as the group in Winnipeg is concerned. Whom am I to believe?

Mr. Ryan: Would the hon. member permit a question? Does he not think that if this were the situation, if there were anything really behind it, legal proceedings of a civil nature would have been taken long before this?

Mr. Howard (Skeena): I really do not think so. I am inclined to think that the Winnipeg Council of the Canadian Order of Foresters hopefully has enough faith in this parliament to believe we will not follow blindly what has been presented but will look at things in a subjective way. I see the sponsor of the bill rising and I think he wants to ask me a question. I will gladly give him that opportunity, but perhaps I can precede it with the suggestion that he should withdraw the bill because of the doubt and objection. In addition, within a few months a bi-annual convention will be held in Edmonton when all this may be resolved and then parliament will not be in the position of having to pick and choose sides. However, I will gladly submit to the question.

Mr. Chappell: Does the hon. member realize that he is referring to a publication dated March 1968, the bill did not receive royal assent in the Ontario legislature until April, and that this society is in the riding of the sponsor, Mr. Makarchuk, the N.D.P. member of the legislature for Brantford? The head office of the organization is in his riding, and he of all people would know if anything were wrong.

Mr. Howard (Skeena): This is the sort of question that does not need any comment. If there were any validity in it I am sure the hon. member would have mentioned it earlier. If he read the Senate committee proceedings he would realize that, regardless of the fact that this publication is dated March, 1968 and that the bill proceeded through the legislature at a later time than that, practically the entire evidence before the Senate Banking and Commerce Committee was based upon one little question. Mr. McIntosh went into extreme detail about the internal activities of the organization, about notices and meetings, whether there was or there was not a quorum, and so on. He wound up not being sure himself of the constitutional correctness of the meetings that were held. At page 95 of the committee's proceedings Mr. McIntosh, after a long and detailed explanation in which he seemed to be mostly protesting against the fact that anyone should question what the hierarchy was doing, said the following:

> I would therefore suggest that proper notice was given in accordance with the constitution, and further that it was publicized in the magazine that goes out to each member to ensure that every member had full and adequate knowledge of the meeting—

And he goes on and on in this way. Is the sponsor of the bill able to say with certainty that there was no difference of opinion and that everything is sweetness and light? Can he tell us that Premier Walter Weir of Manitoba, who, I understand, is a member of the Foresters presumably in the Winnipeg area, endorses this and that everything is hunky dory there?

This assurance cannot be given because the sponsor of the bill is not in a position to do so

regardless of the affidavits, which he must be able to guarantee, that everything went through perfectly legitimately and that there were no disagreements in the Canadian Order of Foresters. I believe the sponsor of the bill, being a generous member of parliament, agreed to move the motion for the endorsation of this bill. Many hon. members find themselves doing such things out of courtesy and decency, although they do not endorse the principle of the bill. The hon. member for Grenville-Carleton (Mr. Blair) is the sponsor of some insurance bills here, and yet I know very well that in his heart he does not endorse the concept of foreign ownership of life insurance companies. This does not carry with it any simple endorsation.

The editor of the *Canadian Forester* wound up the article in this way:

> We end with the comments from a member who has attended many High Courts "at High Court after High Court our executive brought out the 'Old Bogey Man'—The Superintendent of Insurance". Remember how we were told of his displeasure because we held High Court meetings every two years. And the terrible things he might do if we did not go to three or four year conventions. If this ever was, he should have been in the Jolly Baron convention hall raising his voice, because now we hold High Court meetings every six months.

This is the end of the editorial and follows on the references of my friend, the hon. member for Timiskaming (Mr. Peters). Surely, the high court officials do not refer to Mr. Humphrys as a bogey man, a man to be feared. If he is looked upon as a bogey man by the executive, then perhaps the executive has not been doing things correctly. If you live by the book you have nothing to fear from the law enforcement officers, but if you live outside the book then there is reason to look on the one who enforces the rules, who in this case is the Superintendent of Insurance, as a bogey man who is able to crack down.

Mr. Ryan: You are killing a just bill.

Mr. Howard (Skeena): I am doing no such thing.

The Acting Speaker (Mr. Richard): Order. It being five o'clock the hour for private members business has expired.

SUPPLEMENTARY ESTIMATES (B), 1968-69

TABLING OF REVISED ESTIMATE FOR LABOUR

The Acting Speaker (Mr. Richard): I have a message from His Excellency the Governor General which reads as follows:

> Government House,
> Ottawa,
> 28 February, Ottawa, 1969
>
> The Governor General transmits to the House of Commons Revised Supplementary Estimates (B) of sums required for the service of Canada for the year ending on the 31st March, 1969, and, in accordance with the provisions of "The British North America Act, 1867" the Governor General recommends these Estimates to the House of Commons.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the purpose of this estimate is to allow Labour, Vote 12b to cover all of the persons now receiving compensation for disability caused by silicosis as a result of their employment in the coal mines on Cape Breton Island which were taken over by the Cape Breton Development Corporation.

This purpose is to be accomplished by the addition of the words "and other persons" to the wording given in the original supplementary estimates (B) for this Vote which referred only to persons who are employees of the Cape Breton Development Corporation.

I should add that this addition is in keeping with the explanation given for this Vote before the Standing Committee on Miscellaneous Estimates, and in these particular circumstances I assume the house would not wish this revised estimate to be referred to the standing committee. On Monday next we will be proceeding with this revised estimate and will not proceed with the of original Labour Vote 12b.

The Acting Speaker (Mr. Richard): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It being five o'clock this house stands adjourned until two o'clock Monday afternoon. I hope hon. members enjoy the excellent weather that Ottawa is providing.

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

HOUSE OF COMMONS

Monday, March 3, 1969

The house met at 2 p.m.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FRASER VALLEY RAILWAY SERVICE

Question No. 589—**Mr. Rose:**

1. Has the federal government participated in any discussions about the alleged need to rationalize the railway systems in the Fraser Valley?
2. If so, when did the discussions take place and what progress was made?
3. If not, does the government contemplate initiating or being party to such discussions?

Hon. Paul Hellyer (Minister of Transport): Parts 1, 2, and 3. It is impossible to answer this question in the form presented since the meaning of Part 1 is not clear.

PRISONERS SERVING LIFE SENTENCES

Question No. 1,108—**Mr. Beaudoin:**

1. How many prisoners in federal penitentiaries are serving life sentences?
2. What is their average age?
3. How many have escaped over the past five years, and how many have been recaptured?
4. How many prisoners have been hanged by law since 1940 (a) in Canada (b) in each province?

Hon. G. J. McIlraith (Solicitor General): 1. As of 19 December, 1968, there were 387 prisoners in federal penitentiaries serving life sentences.

2. Their average age was 36.7 years.

3. Four of these inmates have escaped over the past five years and all have been recaptured.

4. (a) 171.

(b)

Province	No. of Executions
Ontario	53
Quebec	49
British Columbia	23
Alberta	22
Manitoba	10
New Brunswick	7
Saskatchewan	3
Prince Edward Island	2
North West Territories	2

There were no executions during this period in the Provinces of Nova Scotia, Newfoundland and the Yukon Territory.

DEFENCE DEVELOPMENT SHARING PROGRAM

Question No. 1,127—**Mr. Broadbent:**

1. What are the terms and conditions under the Department of Industry's Defence Development Sharing Program?
2. For each fiscal year since its inception, what have been the annual number of projects and the annual expenditures of this program shared by the federal government, Canadian Industry and other foreign governments?
3. (a) Of the successful development projects under the program, what percentage of the total number of projects did the government award the originator of the development project with a contract for production (b) what percentage were transferred for production to companies other than those undertaking the research and development project?
4. What is the total federal government expenditure commitment to this program in the current fiscal year?
5. When were changes made in the Defence Development Sharing Program to allow civil-oriented projects to be eligible for the financial grants provided by the program?
6. What are the reasons for these changes?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Vote 5 is to develop and sustain the technological capability of Canadian defence industry for the purpose of defence export sales or civil export sales arising from that capability; (a) by supporting selected development programs; (b) by paying one-half of the cost of the acquisition of new equipment required for plant modernization, and (c) by supporting the establishment of production capacity and qualified sources for production of component parts and materials, on terms and conditions approved by the Treasury Board.

2.

Year	Federal Development Expenditure	No. of Projects
1959/60	$ 1,851,108	4
1960/61	$ 2,901,667	14
1961/62	$ 4,420,424	33
1962/63	$ 8,000,000	28
1963/64	$19,000,000	39
1964/65	$20,500,000	48
1965/66	$23,994,897	60
1966/67	$22,626,897	56
1967/68	$22,904,217	53

The above expenditure represents approximately 50 per cent of the cost of the development projects, the remaining 50 per cent is shared almost equally by Canadian industry and allied governments. Cost sharing for a given project may be between the Canadian Government and Canadian industry, between the Canadian Government and an allied government or all three.

3. (a) The Defence Development Sharing Program is concerned with development of defence equipment for sale to allied governments. The Canadian Government is not usually a customer. If the development project is successful and a production order is received it will normally be from a foreign government; (b) Less than 1 per cent.

4. Expenditure commitment for the development portion of this program in the current fiscal year is $24 million of $32 million authorized.

5. Changes were made on May 8, 1968 to include projects aimed at civil export markets arising from defence technological capability in Canadian industry. This change was associated with the combination of the Defence Development Sharing Program and the Industry Modernization for Defence Exports Program effected at that time.

6. The results obtained from the Program have shown that civil exports also arose from defence technology. The change permits recognition of this civil market potential of Canadian defence industrial capability and enables its exploitation in line with the objectives of the Program.

CAR TIRE SAFETY STANDARDS

Question No. 1,136—**Mr. Mather:**

What federal control exists in the field of setting and enforcing car tire safety standards?

Hon. Paul Hellyer (Minister of Transport): At present, the federal government is not enforcing tire safety standards throughout Canada. However, consideration is being given to legislation requiring minimum safety standards for new motor vehicles and parts manufactured in, or imported into Canada. It is contemplated that tire safety standards will be considered within this context.

The Canadian Government Specifications Board has issued the following two tire safety standards: CGSB 97-GP-109: New Pneumatic Tires, Passenger Cars; CGSB 97-GP-110: Tire Selection and Rims, Passenger Cars.

The CGSB standards are currently used by the federal government in purchasing tires for its own use.

CANADIAN EMBASSIES

Question No. 1,267—**Mr. Beaudoin:**

1. In how many countries does Canada have Embassies?

2. In what countries is Canada represented and what is the name of our ambassador to each of them?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. 48

2.

Country	Ambassador
Argentina	Robert Choquette
Austria	J. A. McCordick
Belgium	Paul Tremblay
Brazil	Vacant
Cameroun	J. E. Thibeault
Chile	G. B. Summers
Colombia	J. H. Cleveland
Congo, Democratic Republic of	Marc Baudouin
Costa Rica	D. W. Munro
Cuba	Léon Mayrand
Czechoslovakia	T. B. B. Wainman-Wood
Denmark	M. H. Wershof
Dominican Republic	B. I. Rankin
Ecuador	J. H. Cleveland
Ethiopia	Michel Gauvin
Finland	H. H. Carter
France	P. A. Beaulieu
Germany	R. P. Bower
Greece	H. F. Feaver
Guatemala	S. F. Rae
Haiti	Léon Mayrand
Indonesia	A. P. Bissonnet
Iran	C. C. Eberts
Ireland	J. J. McCardle
Israel	R. L. Rogers
Italy	G. G. Crean
Japan	H. O. Moran
Lebanon	C. Hardy
Mexico	S. F. Rae
Netherlands	Vacant
Norway	G. K. Grande
Peru	J. F.-X. Houde
Poland	Miss P. A. McDougall
Portugal	J. E. Morin
Sénégal	J. J. M. Côté
South Africa	C. J. Woodsworth

Country	Ambassador
Spain	Benjamin Rogers
Sweden	A. J. Andrew
Switzerland	J. A. Roberts
Thailand	J. C. Britton
Tunisia	A. J. Pick
Turkey	K. Goldschlag
Union of Soviet Socialist Republics	R. A. D. Ford
United Arab Republic	Thomas Carter
United States of America	A. E. Ritchie
Uruguay	Robert Choquette
Venezuela	B. I. Rankin
Yugoslavia	B. M. Williams

For more detailed information the hon. member may wish to consult the December 1968 edition of "Canadian Representatives Abroad".

[*English*]

QUEBEC—REFORESTATION AGREEMENTS

Question No. 1,279—**Mr. Lambert (Bellechasse):**

Considering that the federal government has signed an agreement with the Province of Quebec for the implementation of a reforestation program in nine counties of Eastern Quebec in order to provide work for welfare recipients, I ask: (a) That the government release the list of these counties, (b) What is the nature of this agreement, (c) What amount has been spent on this program in the 1968-69 Estimates, (d) What amount has been provided for this program in the 1969-70 Estimates, (e) Will the federal government have any supervisory authority over the work done according to this agreement?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): (a) Yes: Kamouraska, Rivière-du Loup, Témiscouata, Rimouski, Matane, Matapédia, Bonaventure, Gaspé South and Gaspé North; (b) This agreement is a project under the federal-provincial rural development agreement for the Lower St. Lawrence, Gaspé and Îles de la Madeleine pursuant to the Fund for Rural Economic Development Act; (c) None; (d) The amount of the total budget to be allocated to this particular project has not been decided; (e) No.

[*English*]

HOUSING TASK FORCE COMMISSIONERS

Question No. 1,294—**Mr. Godin:**

1. How many commissioners were employed on the federal Task Force on Housing, chaired by the Honourable Paul Hellyer?

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2. What are their names and addresses?
3. At what salary were they hired?
4. How high was their expense accounts?

Hon. Paul Hellyer (Minister of Transport):

1. Six.

2. Dr. Doris Boyle, 12 Tain Street, Sydney, Nova Scotia; Mr. Robert Campeau, Campeau Corporation Limited, Box 450, Terminal "A", Ottawa, Ontario; Mr. Peter Carter, 159 Dexhill Drive, Beaconsfield, Quebec; Dr. Pierre Dansereau, 76 Maplewood, Outremont 153, Quebec; Dr. James Gillies, 73 Fairway Heights Road, Thornhill, Ontario; Mr. C. E. Pratt, 430 Stevens Drive, West Vancouver, B.C.

3. $150 per diem.

4. As of February 6, 1969, their expense account payments have totalled $9,268.75. Final expense account figures are not yet known.

POST OFFICE DEPARTMENT OVERTIME

Question No. 1,301—**Mr. Macquarrie:**

1. How much overtime was paid to employees of the Post Office Department in each of the following months: November 1968, December 1968, January 1969?

2. How much overtime was paid for the period of January 23 to January 31, 1969?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. November 1968, $1,161,440; December 1968, $2,420,903; January 1969, $1,062,774.

Note: In December 1968 an additional holiday, Boxing Day, was granted which increased the overtime costs. Also in December 1968, in addition to the overtime resulting from the Christmas Operations, a large amount of retroactive overtime payments were made because of the salary revision granted through collective bargaining with effect from 1st August 1967.

2. To determine the overtime costs for the eight day period from Thursday, 23rd January to Friday, 31st January 1969, would require a manual review of approximately 80,000 time records. Overtime is normally reported in hours for the whole month and the amount is calculated and cheques printed mechanically.

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CANADA CORPORATIONS ACT CONSULTANTS

Question No. 1,308—**Mr. Burton:**

What are the names, addresses and occupations of the team of experienced businessmen and lawyers who are being consulted respecting proposed changes in the Canada Corporations Act?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Three panels of lawyers, accountants and businessmen were formed and met early in 1968 to review and comment, in confidence, on the recommendations for changes that were made by the Task Force on the Canada Corporations Act. These individuals are not involved in the current drafting of the Bill and will of course bear no responsibility for its contents. The panels were composed as follows: Panel of Lawyers: Mr. D. A. Berlis, Q.C., Toronto, Ont.; Mr. G. E. Creber, Q.C., Toronto, Ont.; Mr. Charles Scott, Q.C., Ottawa, Ont.; Mr. Jean A. Desjardins, Montreal, Que.; Mr. Gerald McCarthy, Montreal, Que.; Mr. Pierre Legrand, Montreal, Que.; Mr. G. B. Robertson, Q.C., Halifax, N.S.; Mr. Alan Sweatman, Q.C., Winnipeg, Man.; Mr. Harris G. Field, Q.C., Edmonton, Alta.; Mr. C. Francis Murphy, Vancouver, B.C.; Mr. Purdy Crawford, Toronto, Ont.; Mr. Michael Greenblatt, Q.C., Montreal, Que.; Mr. J. S. Woods, Calgary, Alta. Panel of Accountants: Mr. A. Irvine Barrow, C.A., Halifax, N.S.; Mr. R. B. Dale-Harris, F.C.A., Toronto, Ont.; Mr. George Keeping, F.C.A., Toronto, Ont.; Mr. W. R. C. Patrick, F.C.A., Vancouver, B.C.; Mr. Jean Valiquette, C.A., Montreal, Que.; Mr. A. G. Watson, F.C.A., Toronto, Ont.; Mr. Francis Winspear, C.A., Edmonton, Alta. Panel of Businessmen: Mr. Jack Austin, Vancouver, B.C.; Mr. Ralph M. Barford, Toronto, Ont.; Mr. W. J. Cheesman, Hamilton, Ont.; Mr. J. W. Dobson, Montreal, Que.; Mr. Robert T. Morgan, Toronto, Ont.; Mr. Claude Tétrault, Montreal, Que.; Mr. J. W. Younger, Hamilton, Ont.

TOBACCO RESEARCH

Question No. 1,321—**Mr. Douglas (Assiniboia):**

In each of the three most recent fiscal years for which the information is available, what was the cost to the federal government, of research performed by the Department of Agriculture in relation to the production of tobacco in Canada, and any other assistance given to the industry?

Hon. H. A. Olson (Minister of Agriculture): 1965-66, $403,724; 1966-67, $466,533; 1967-68, $850,416; Total, $1,720,673.

[Mr. Kierans.]

"MAIL EARLY CAMPAIGN" AWARDS

Question No. 1,339—**Mr. Macquarrie:**

1. How many newspapers, radio stations and TV stations were presented Award of Merit Certificates by the Post Office Department for generous assistance and co-operation in the 1968 "Mail Early Campaign"?

2. What other groups or individuals were so honoured and what was the total cost of these certificates?

3. What were the requisite qualifications for such awards?

4. In what previous years were such Award certificates presented?

5. What was the total cost of advertisements in (a) daily, and (b) weekly newspapers, for the "Mail Early Campaign" in 1968?

6. What was the comparable figure for the years 1964, 1965, 1966 and 1967?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. English, 490; French, 85.

2. A small number of business firms were so honoured and are included in the totals quoted in question No. 1. The certificates were provided free of charge by one of the department's suppliers as samples of available paper stock and designs. The purchase price of the envelopes used for mailing the Certificates was $11.69 including 12 per cent sales tax. Cost of overprinting envelopes before mailing amounted to $3.53.

3. The awards were based on assistance rendered beyond the paid advertising for promoting the program for the 1968 "Mail Early" Campaign.

4. No such Award Certificates previously presented.

5. (a) Daily newspapers, $27,972; (b) Weekly newspapers, $11,732.62.

6.

	Daily Newspapers	Weekly Newspapers
	$	$
1964	17,500.00	7,500.00
1965	25,950.30	7,247.19
1966	24,905.89	6,705.00
1967	32,402.50	13,954.37

BELLECHASSE, QUE.—ASSISTANCE TO INDUSTRIES

Question No. 1,344—**Mr. Lambert (Bellechasse):**

1. Has the federal government assisted a number of industries located in the constituency of Bellechasse through the Industrial Development Bank and, if so (a) which industries (b) what amount was given to each industry?

2. If no assistance was given, have any industries requested assistance and, if so, which industries?

Hon. E. J. Benson (Minister of Finance): 1. and 2. The Annual Report of the Industrial Development Bank for the year ended September 30th, 1968, contains information regarding the number and amount of loans by size, by province and by type of business. Information on the amount or business classification of loans by constituency is not published.

OTTAWA—LEASED SPACE

Question No. 1,365—**Mr. Schreyer:**

1. Does the Government of Canada lease space in the following buildings (a) City Centre Building (b) Sir Guy Carleton Building, 161 Laurier Ave. W. (c) Gillin Building, Laurier at Elgin (d) building at Metcalfe and Slater Streets (e) Fuller Building, 75 Albert St.?

2. What is the period of the lease in each case?

3. What is the lease price in each case?

4. What is the date, in each case, at which such leased space was put into actual use?

5. In each case, where leased space has not been put into actual use until after a period of one month after commencement of lease, what are the reasons for the continued unoccupancy?

Hon. Arthur Laing (Minister of Public Works): 1. (a) Yes; (b) Yes; (c) Yes; (d) Yes; (e) Yes.

2, 3, 4, and 5. Listed below:

Building	Period of Lease	Annual Rental	Date of Occupancy	Reasons for Unoccupancy
City Centre	12/11/64 to 30/9/69	$ 11,016	12/11/64	n/a
	15/9/67 to 30/9/71	117,780	15/9/67	n/a
	15/9/67 to 30/9/72	93,852	15/9/67	n/a
Sir Guy Carleton 161 Laurier Ave. W.	29/6/66 to 30/6/76	499,596	29/6/66	n/a
Gillin	22/1/65 to 28/2/75–	286,400	22/1/65	n/a
Laurier at Elgin	15/2/65 to 28/2/75–		15/2/65	n/a
	1/10/65 to 28/2/75	29,702	1/10/65	n/a
Metcalfe	18/7/68 to 31/12/74	54,150	18/7/68	n/a
88 Metcalfe St.	27/6/66 to 31/12/72	168,264	27/6/66	n/a
	22/2/65 to 28/2/66 (now month to month)	5,824	22/2/65	n/a
	1/9/67 to 31/8/69	7,020	1/9/67	n/a
	1/5/68 to 31/3/69	70,623	1/5/68	n/a
	1/6/67 to 31/5/68 (now month to month)	567	1/6/67	n/a
	1/7/66 month to month	1,458	1/7/66	n/a
	24/10/66 to 30/4/68 (now month to month)	972	24/10/66	n/a
Fuller	1/1/67 to 31/12/71	257,193	1/1/67	n/a
75 Albert St.	1/9/67 to 31/12/71	2,658	1/9/67	n/a
	1/5/68 to 31/12/71	1,440	1/5/68	n/a
	9/9/68 to 30/9/69	8,175	9/9/68	n/a

HILLSBOROUGH, P.E.I. POST OFFICE CLOSURES

Question No. 1,368—**Mr. Macquarrie:**

1. How many post offices have been closed in the constituency of Hillsborough since January 1, 1966?

2. Where were they located?

3. What were the reasons for the closure in each case?

4. As a result of these closures, how many people either postmasters or rural carriers lost employment?

5. What further post offices are scheduled to be closed in this constituency in the immediate future?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. Three.

2. Stanhope, P.E.I.; Tracadie Cross, P.E.I.; Union Road, P.E.I.

3. Limited usefulness.

4. Three postmasters and three rural couriers.

5. The Bedford Station, P.E.I. post office is to be closed in the near future.

Note: Further studies are being conducted with a view to closing additional post offices

within the closing program criteria but no decision has been made on any particular case as yet.

"MUNICIPAL AUTHORITIES IN THE PILOT REGION (BAEQ)"

Question No. 1,379—**Mr. Monteith:**

1. What was the first date of publication of "Municipal Authorities in the Pilot Region (BAEQ)"?

2. How often is this report published?

3. How was the mailing list for this publication determined?

4. How many copies of Condensed Report CR-No. 16 of this publication were mailed?

5. What was the total cost of study made to produce the material contained in above-mentioned CR-No. 16?

6. What annual salaries are or were being paid to Mr. Jean-Guy Frenette, Mr. Leo Jacques and Jocelyn Breton, and how long were they involved in conducting their studies and preparation of the material going into CR-No. 16?

7. What was the total cost of conducting the studies, preparation of material, actual publication and mailing of CR-No. 16?

8. What was the total cost of producing this publication from the time of its inception to the completion of CR-No. 16?

9. What are the basic reasons for conducting these studies and the preparation of these reports?

10. Are such studies conducted in other parts of Canada and, if so, where?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. November 14, 1968.

2. Condensed reports in this series are published whenever interest warrants.

3. According to interest categories on a computer mailing list.

4. 4,560.

5. Study costs were not costed separately relative to CR-No. 16.

6. The individuals mentioned were not engaged by the federal government.

7. Not costed separately.

8. Material and printing $1,009.66.

9. These studies were conducted as part of the research leading to the implementation of a Comprehensive Rural Development Plan for the Lower St. Lawrence, Gaspé and Iles de la Madeleine area. The condensed reports provide information in English to interested Canadians.

10. No.

[Mr. Kierans.]

R.C.M.P.—AIRPORTS PROTECTION

Question No. 1,391—**Mr. Robinson:**

1. How many members of the RCMP are located at each airport in Canada and where is each of the airports located?

2. How many members of the RCMP are involved in (a) traffic control (b) security measures (c) criminal investigation (d) airport administration?

3. What legislative acts does the RCMP administer within the airport environment?

Hon. G. J. McIlraith (Solicitor General): 1. Toronto International Airport, 26; Montreal International Airport, 22; Vancouver International Airport, 14; Ottawa International Airport, 6; Winnipeg International Airport, 1; Edmonton International Airport, 1; Calgary International Airport, 1; Halifax International Airport, 1.

2. (a) All members in varying degrees; (b) Answer 2(a) applies; (c) Answer 2(a) applies; (d) NIL.

3. All Federal Statutes and Provincial Statutes where we have primary jurisdiction, or whenever a peace officer is required in the absence of another police department having primary jurisdiction.

AVERAGE TAX PAYMENTS

Question No. 1,400—**Mr. Caouette:**

In each of the last five years, by province, what was the average amount paid in taxes to the federal government by Canadian citizens?

Hon. Jean-Pierre Côté (Minister of National Revenue): The information is not available in the form requested.

LANGUAGE TUITION FOR CANADIAN FORCES

Question No. 1,408—**Mr. Caouette:**

In each of the last five years, what was the amount paid by the Department of National Defence in tuition fees and school transportation costs, in order to permit all residents of Canadian Forces bases to attend (a) French-language schools (b) English-language schools?

[*Translation*]

Mr. David Groos (Parliamentary Secretary to the Minister of National Defence):

	Tuition Fees (000)	Transportation Costs (000)
1963-64	$2,929	$ 90
1964-65	3,027	145
1965-66	4,084	249
1966-67	4,269	230
1967-68	4,942	261

Records are not maintained in a manner which would indicate whether such costs cover attendance at, or transportation to, either French or English language schools.

[*English*]

NEWFOUNDLAND POST OFFICE CLOSURES

Question No. 1,412—**Mr. Marshall:**

1. What post offices are to be closed in the Province of Newfoundland?

2. What is the reason in each case as to why such decision is being taken?

3. What was the annual revenue of each post office to be closed and the cost of operation?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned:

1 and 3.

Post Office	Revenue $	Cost of Operation $
Champneys	541.00	1,800.00
Champneys West	455.00	1,400.00
Cuslett	226.00	1,000.00
English Harbour T.B.,	515.00	1,600.00
Point au Mal	234.00	800.00
Steady Brook	556.00	1,200.00
Trinity East	835.00	1,800.00
Fox Island River	49.00	600.00
Angels Cove	202.00	1,000.00
North Boat Harbour	110.00	800.00

2. Limited usefulness.

Note: Further studies are being conducted with a view to closing additional Post Offices within the closing program criteria but no decision has been made on any particular case as yet.

MAPLE SYRUP

Question No. 1,416—**Mr. Aiken:**

1. What action, if any, has been taken by officers of the Food and Drug Directorate with regard to the use of the word "maple" as it pertains to the use of pure maple syrup?

2. What action, if any, has been taken by the Department of Consumer and Corporate Affairs to ensure that containers purporting to contain maple syrup do in fact contain pure maple syrup?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Departments of National Health and Welfare and Consumer and Corporate Affairs as follows: 1. Under the Food and Drugs Act objection is taken to the use of the name "maple syrup" in advertising, labelling and on restaurant menus, if in fact the product referred to is not pure maple syrup. During the past few months a number of restaurants have been visited by inspectors of the Food and Drug Directorate. In two cases it was found that while menus indicated that maple syrup was being served, this in fact was not the case. The owners of the restaurants were sent warning letters and subsequent inspections have indicated that both restaurants have corrected the situation. Surveillance is being maintained by the Food and Drug Directorate of the Department of National Health and Welfare at the present time. However, it is the intention of the government to transfer this responsibility to the Department of Consumer and Corporate Affairs.

2. Until recently the General Service Division of the Production and Marketing Branch, Department of Agriculture, was entirely responsible for enforcing the Maple Products Industry Act. The inspectors of this Division were responsible for taking samples from stores at the retail level and sending them for analysis to the food and drug laboratories operated by the Department of Health and Welfare. While the inspection continued on a year round basis, it was at its most vigorous during and just after the maple syrup season. Since the transfer of the retail inspection service to the Department of Consumer and Corporate Affairs, the responsibility for enforcing the Maple Products Act at the retail level now rests with the Operations Branch of the Bureau of Consumer Affairs. Maple syrup products will continue to be inspected at the retail level and the inspection service will be extended, where necessary, to give the broadest coverage possible.

LAWYERS IN CANADA

Question No. 1,426—**Mr. Fortin:**

1. During each of the past five years, what was the number of lawyers in Canada?

2. During each of the past five years, what was the average salary of lawyers in Canada?

[*Translation*]

Hon. Jean-Luc Pépin (Minister of Industry, Trade and Commerce): Insofar as the Dominion Bureau of Statistics is concerned: 1. At the 1961 Census, there were 11,777 males and 311 females who reported their occupation as that of "lawyer or notary". The detailed occupational structure of the Canadian labour force is determined only at decennial censuses, and no data are available from DBS covering the past five years.

Questions

2. Based on a 20 per cent sample of lawyers and notaries reported at the 1961 Census, (including salaried persons as well as self-employed), the average employment income amounted to $11,310 for males, and $4,589 for females, relating to the 12-month period prior to the census date of June 1, 1961.

[*English*]

EFFECT OF ROBERTS BANK ON MIGRATORY BIRDS

Question No. 1,430—**Mr. Anderson:**

1. Has the Canadian Wildlife Service commissioned studies to determine the effect of the Roberts Bank development on migratory birds using the Pacific flyway?

2. Is the Canadian Wildlife Service represented at the planning and development levels of this project?

3. Will federal legislation on pollution and contamination control in the Roberts Bank area be placed before the House this year?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. No studies outside the Canadian Wildlife Service have been commissioned or contracted. However, the Service itself has carried out studies at the Roberts Bank area and plans to do so in future in order to evaluate the effects of the superport development there on waterfowl habitat.

2. The Service was consulted unofficially early in the planning stage but is not represented on any planning and development board.

3. No new legislation on pollution and contamination will be placed before the House under the auspices of the Department of Indian Affairs and Northern Development.

CANADIAN PBX STORES

Question No. 1,440—**Mr. MacLean:**

1. Is it the policy of the Government of Canada to allow personnel of other NATO forces stationed in Germany to shop in Canadian PBX stores and, if so, does this amount to the subsidization by Canada of purchases by the Armed Forces of other countries?

2. To which countries are these privileges extended?

3. Have there been complaints, either official or unofficial, by Canadian Forces Personnel that personnel of other countries are allowed to shop in Canadian stores?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. Yes, except for the host country, NATO forces personnel are permitted to use non-public fund retail outlets at Canadian units in Germany. Except for space provided by the Canadian Forces, stock, shipping, salaries, etc., are paid for from non-public funds.

2. This is a reciprocal arrangement and extends to all NATO forces personnel except those of the host country.

3. Some minor complaints are received from time to time from personnel who do not appear to realize that reciprocal agreements exist with other NATO countries.

PSYCHIATRIST IN YUKON AND NORTHWEST TERRITORIES SCHOOLS

Question No. 1,446—**Mr. Orlikow:**

1. Is there a full-time or part-time Psychiatrist working with school children in the Yukon and Northwest Territories?

2. How much time does he spend each year on this task?

3. How many schools has he visited in each of the past three years and how much time did he spend in each school?

4. How are the children examined by the Psychiatrist chosen?

5. When teachers refer children to the Psychiatrist do they submit written reports to the Psychiatrist before he sees the children?

6. After the examination, does the Psychiatrist report or make recommendations regarding each child to the principal or the teacher?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No, but teams of consultants visit periodically.

2. N/A.

3. N/A.

4. Children may be selected for psychiatric examination by parents, teachers, welfare workers, public health nurses or physicians. Visiting consultant psychiatrists from Toronto in the Eastern Arctic, from Winnipeg in the Central Arctic and from Edmonton in the western districts carry out examinations and if evacuation is necessary examinations take place in major referral centres in the south.

5. There is no mandatory procedure. Public Health Nurses or local physicians are usually involved in the referral. The psychiatrist may review such information from teachers and medical reports as is pertinent, and may elicit further information by directing questions toward knowledgeable persons and to the patient.

6. This could involve a report to the teacher or principal where the school authorities will continue to be associated with a particular

patient. As in southern Canada a psychiatrist takes whatever action is necessary and ethical in relation to patients who are referred to him.

EXEMPTION OF TEACHERS FROM INCOME TAX

Question No. 1,466—**Mr. Howard (Skeena):**

1. What number of teachers have applied for an exemption from Income Tax since the date of, and pursuant to, Information Bulletin No. 41, May 21, 1968, of the Department of National Revenue listed numerically by the home country?

2. What is the estimated amount of money which would have been received by the Crown if it had not been for the said exemption?

Hon. Jean-Pierre Côté (Minister of National Revenue): The Department of National Revenue has no knowledge of the number of teachers who have claimed the exemption, their home country or the amount of tax that might have been collected in the absence of the exemption.

FREEZE ON BUSINESS EDUCATIONAL FACILITIES

Question No. 1,495—**Mr. McCleave:**

1. Has the federal government imposed a freeze on a federal-provincial cost sharing program concerning business educational facilities?

2. How long is such freeze expected to last?

3. How many programs, and in what provinces, are affected by the freeze?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. The federal government has not imposed a freeze on payments by Canada to provinces of contributions in respect of the capital expenditures incurred by the provinces on business educational facilities.

2. Not applicable.

3. Not applicable.

C.M.H.C.—MORTGAGE INSURANCE PAYMENTS

Question No. 1,511—**Mr. Orlikow:**

1. What is the amount of mortgage insurance monies paid to Central Mortgage and Housing Corporation in the form of mortgage insurance in each of the years since the introduction of this scheme?

2. How is this money allocated, whether by way of reserve or possibly purchase of insurance from outside private agencies?

3. What is the amount of losses which required payment out of the insurance fund?

4. What reserve still exists?

5. Is the government giving consideration to reducing the present 2% mortgage insurance fee to a lesser amount?

Hon. Paul Hellyer (Minister of Transport): 1. 1954, $2,389,850; 1955, $9,237,250; 1956, $9,839,746; 1957, $7,278,911; 1958, $13,816,071; 1959, $13,146,403; 1960, $8,456,279; 1961, $10,970,952; 1962, $11,576,518; 1963, $9,868,797; 1964, $12,063,480; 1965, $13,483,365; 1966, $14,290,873; 1967, $16,491,251; 1968, $14,640,563.

2. Money not required to pay claims is invested in obligations of or guaranteed by Canada.

3. $81,486,253 to 31 December 1968.

4. $224,393,164 at 31 December 1968, including real estate acquired as a result of claims, $6,336,025, and mortgages arising from the sale of real estate acquired as a result of claims, $69,166,611.

5. The report of the Task Force on Housing and Urban Development recommended a reduction in the mortgage insurance fee. This, with other recommendations of the Task Force, is now being considered by the government.

WAR REPARATIONS COMMISSION

Question No. 1,536—**Mr. Laprise:**

Did Canada establish a War Reparations Commission after the Second World War, and, if so (a) when was this commission established (b) what amount of money was assigned to it (c) how many naturalized Canadians benefited under this Act, and (d) from what countries did these Canadians come?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): (a) No, but a War Claims Commission was established on October 9, 1952; (b) $1—pursuant to Vote 696, The Appropriation Act No. 4, 1952, 1-Elizabeth II, Chapter 55, which authorized the Minister of Finance to establish a special account in the Consolidated Revenue Fund and to which were to be credited all moneys received by him from the Custodian of Enemy Property or from other sources by way of reparations by former enemies in respect of World War II; (c) The records do not distinguish between naturalized and natural born Canadians; (d) See (c) above.

CANADIAN WHEAT BOARD WHEAT PRICES

Question No. 1,542—**Mr. Dumont:**

For what reasons did the Canadian Wheat Board, on October 15, 1968, offer $1.86 at the Lakehead for No. 4 Northern Wheat and $1.99½ at the ports on the St. Lawrence?

Questions

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Wheat Board offered No. 4 Northern at $1.86 basis in store the Lakehead and $1.99¼ C.I.F. St. Lawrence ports on October 15 in order to make sales of that grade. The difference in the two prices reflects the cost of transporting wheat from the Lakehead to St. Lawrence ports.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

FORT SMITH, N.W.T.—TEACHERS ON SCHOOL STAFF

Question No. 1,175—**Mr. Orlikow:**

1. (a) How many teachers were on the staff at the school at Fort Smith for each of the years 1965-66, 1966-67, 1967-68 (b) what was the total teaching experience of each teacher (c) what was the length of teaching experience with the Department of Indian Affairs and Northern Development of each teacher (d) what was the length of teaching experience at Fort Smith of each teacher (e) what was the university education, academic and teacher training, of each teacher at Fort Smith?

2. What percentage of the teaching staff at Fort Smith in the years 1965-66, 1966-67, 1967-68, possessed Canadian Citizenship?

3. How many Eskimo or Indian teacher aides were employed at Fort Smith in each of the years 1965-66, 1966-67, 1967-68?

4. (a) What was the length of administrative experience in each of the years 1965-66, 1966-67, 1967-68, for School Principals and Vice-Principals at Fort Smith (b) what was the length of the administrative experience with the Department of Indian Affairs and Northern Development?

5. (a) What was the number, duration, purpose of visits from the Department in Ottawa and of regional supervisory and consultative personnel in the years 1965-66, 1966-67, 1967-68, to Fort Smith (b) what was the number, duration, purpose of in-service training sessions held by the Department in Fort Smith for teachers in the years 1965-66, 1966-67, 1967-68 (c) what was the form of pre-service preparation, if any, for teachers going to Fort Smith for the first time in the years 1965-66, 1966-67, 1967-68?

Return tabled.

YELLOWKNIFE, N.W.T.—TEACHERS ON SCHOOL STAFF

Question No. 1,176—**Mr. Orlikow:**

1. (a) How many teachers were on the staff at the school at Yellowknife for each of the years 1965-66, 1966-67, 1967-68 (b) what was the total teaching experience of each teacher (c) what was the length of teaching experience with the Department of Indian Affairs and Northern Development,

of each teacher (d) what was the length of teaching experience at Yellowknife of each teacher (e) what was the university education, academic and teacher training, of each teacher at Yellowknife?

2. What percentage of the teaching staff at Yellowknife in the years 1965-66, 1966-67, 1967-68, possessed Canadian Citizenship?

3. How many Eskimo or Indian teacher aides were employed at Yellowknife in each of the years 1965-66, 1966-67, 1967-68?

4. (a) What was the length of administrative experience in each of the years 1965-66, 1966-67, 1967-68, for School Principals and Vice-Principals at Yellowknife (b) what was the length of the administrative experience with the Department of Indian Affairs and Northern Development?

5. (a) What was the number, duration, purpose of visits from the Department in Ottawa and of regional supervisory and consultative personnel in the years 1965-66, 1966-67, 1967-68, to Yellowknife (b) what was the number, duration, purpose of in-service training sessions held by the Department in Yellowknife for teachers in the years 1965-66, 1966-67, 1967-68 (c) what was the form of pre-service preparation if any, for teachers going to Yellowknife for the first time in the years 1965-66, 1966-67, 1967-68?

Return tabled.

INUVIK, N.W.T.—TEACHERS ON SCHOOL STAFF

Question No. 1,177—**Mr. Orlikow:**

1. (a) How many teachers were on the staff at the school at Inuvik for each of the years 1965-66, 1966-67, 1967-68 (b) what was the total teaching experience of each teacher (c) what was the length of teaching experience with the Department of Indian Affairs and Northern Development of each teacher (d) what was the length of teaching experience at Inuvik of each teacher (e) what was the university education, academic and teacher training, of each teacher at Inuvik?

2. What percentage of the teaching staff at Inuvik in the years 1965-66, 1966-67, 1967-68, possessed Canadian Citizenship?

3. How many Eskimo or Indian teacher aides were employed at Inuvik in each of the years 1965-66, 1966-67, 1967-68?

4. (a) What was the length of administrative experience in each of the years 1965-66, 1966-67, 1967-68, for School Principals and Vice-Principals at Inuvik (b) what was the length of the administrative experience with the Department of Indian Affairs and Northern Development?

5. (a) What was the number, duration, purpose of visits from the Department in Ottawa and of regional supervisory and consultative personnel in the years 1965-66, 1966-67, 1967-68, to Inuvik (b) what was the number, duration, purpose of in-service training sessions held by the Department in Inuvik for teachers in the years 1965-66, 1966-67, 1967-68 (c) what was the form of pre-service preparation if any, for teachers going to Inuvik for the first time in the years 1965-66, 1966-67, 1967-68?

Return tabled.

FROBISHER BAY, N.W.T.—TEACHERS ON SCHOOL STAFF

Question No. 1,178—**Mr. Orlikow:**

1. (a) How many teachers were on the staff at the school at Frobisher Bay for each of the years 1965-66, 1966-67, 1967-68 (b) what was the total teaching experience of each teacher (c) what was the length of teaching experience with the Department of Indian Affairs and Northern Development of each teacher (d) what was the length of teaching experience at Frobisher Bay of each teacher (e) what was the university education, academic and teacher training, of each teacher at Frobisher Bay?

2. What percentage of the teaching staff at Frobisher Bay in the years 1965-66, 1966-67, 1967-68, possessed Canadian Citizenship?

3. How many Eskimo or Indian teacher aides were employed at Frobisher Bay in each of the years 1965-66, 1966-67, 1967-68?

4. (a) What was the length of administrative experience in each of the years 1965-66, 1966-67, 1967-68, for school Principals and Vice-Principals at Frobisher Bay (b) what was the length of the administrative experience with the Department of Indian Affairs and Northern Development?

5. (a) What was the number, duration, purpose of visits from the Department in Ottawa and of regional supervisory and consultative personnel in the years 1965-66, 1966-67, 1967-68, to Frobisher Bay (b) what was the number, duration, purpose of in-service training sessions held by the Department in Frobisher Bay for teachers in the years 1965-66, 1966-67, 1967-68 (c) what was the form of pre-service preparation, if any, for teachers going to Frobisher Bay for the first time in the years 1965-66, 1966-67, 1967-68?

Return tabled.

HUMBER-ST. GEORGE'S-ST. BARBE—LOCATION AND GRADE OF POST OFFICES

Question No. 1,223—**Mr. Marshall:**

Of all post offices in the Electoral District of Humber-St. Georges-St. Barbe under the following headings, what are the location, grade, salary of postmaster, income from operation, and cost of operation?

Return tabled.

HEALTH INSURANCE EXPENDITURES

Question No. 1,269—**Mr. Fortin:**

1. What amounts have been spent by the federal government for health insurance?

2. What steps are being taken by the federal government to prevent disease?

3. What costs have been incurred by the federal government in connection with diseases resulting from (a) cigarette smoking (b) consumption of liquor?

4. Is the federal government considering the establishment of programmes designed to promote good health?

Return tabled.

Questions

QUEBEC—SUBSIDIES UNDER AREA DEVELOPMENT INCENTIVES ACT

Question No. 1,480—**Mr. Lambert (Bellechasse):**

1. What is the postal address of each Quebec industry which has benefited from subsidies under the Area Development Incentives Act?

2. What amount was granted and paid under this Act up to and including November 30, 1968 (a) for all of Canada with the exception of Quebec (b) in each of the provinces with the exception of Quebec?

Return tabled.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

ADJUDICATION ON PROBLEMS OF MORALE

Hon. Robert L. Stanfield (Leader of the Opposition): I had a question for the Postmaster General which I thought was important, and I was wondering whether the Secretary of State for External Affairs can inform us whether the Postmaster General will be in the house today.

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, he is not here. The Acting Postmaster General will reply.

Mr. Diefenbaker: The decimated ranks of Tuscany.

Mr. Stanfield: I have no doubt the attention of the Acting Postmaster General has been directed to the announcement on Friday by the council of the Postal Union denying the earlier statement of the Postmaster General concerning the morale of the Post Office and describing the present situation as explosive. Can the Acting Postmaster General say whether the Postmaster General intends to take any action to provide for third party adjudication of this problem? Can he, in short, say what action his colleague proposes to take?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am not in a position to say what are the intentions of the Postmaster General in that regard. He is not here today because he is negotiating with some mail transport services in the city of Montreal.

Inquiries of the Ministry

[*English*]

FINANCE

INCREASE IN BANK RATE—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. David Lewis (York South): Mr. Speaker, even though the Minister of Finance is not here there is a question that I should like to address to the Acting Prime Minister. In view of the widespread effect on higher loan and mortgage interest rates that is bound to result from the increase in the bank rate from 6½ to 7 per cent, may I ask the Acting Prime Minister whether this step was taken with the approval of the government, after consultation with the Minister of Finance and other ministers?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the hon. gentleman is aware that these decisions are made by the Governor of the Bank of Canada. If, of course, the government had any reason to disagree, this would be indicated.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the effect of this important step, may I ask the Acting Prime Minister whether the government will take the necessary steps to refer the matter of the increase in the bank rate, and the tightening money policy resulting therefrom, to the Standing Committee on Finance, Trade and Economic Affairs so that the Governor of the Bank of Canada may be called to give evidence on the subject?

Mr. Sharp: Mr. Speaker, I would think that this is a subject that could be discussed generally when the estimates of the Department of Finance are before the committee. I do not think the government would be disposed to make a particular reference on this question.

Mr. Lewis: A further supplementary question. In view of the fact that the Governor of the Bank of Canada could not come here to express his views and give his reasons for the increase in the bank rate, would this cause the government to reconsider, and to have the standing committee deal with the matter so that the Governor of the Bank of Canada could explain the policies involved and also the objective of this increase in the bank rate?

Mr. Sharp: Mr. Speaker, I will be very happy to talk to the Governor of the Bank of Canada, so that he is available when required for this purpose; but I repeat what I said before, that it would not be the intention of the government to refer this specific matter to the committee.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. Since the minister feels that there would be difficulty in discussing this matter with the Governor of the Bank of Canada when the Department of Finance estimates are before the committee, would the government refer to the committee the annual report of the Bank of Canada and enable us to discuss these matters in committee?

Mr. Sharp: I think that the committee could deal with this question on many bases; I do not think there would be any difficulty whatever. Therefore I see no reason for any special action on the part of the government at the present time.

[*Translation*]

APPLICATION OF INCREASED RATE TO SALARY OF GOVERNOR

Mr. Bernard Dumont (Frontenac): Mr. Speaker, in view of the answers we were given, I ask the minister whether the interest rate was increased in order to raise Mr. Rasminsky's salary from $50,000 to $75,000 a year?

At ten o'clock, Mr. Speaker.

[*English*]

OIL

CANADA-U.S. NEGOTIATIONS RESPECTING DISCOVERIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I had hoped to ask this question of the Minister of Trade and Commerce but I will address it to the Secretary of State for External Affairs. I wish to refer to something that was proposed by the Canadian ambassador on behalf of the Canadian government.

In view of the letter dated September 25, 1967, which was tabled in the house, covering negotiations between Canada and the United States of America, have there been any negotiations since that date, particularly in light of the Prudhoe Bay discovery and other discoveries in the north?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker; there have been no direct negotiations between Canadian and United States governments

recently on the matter. The implications of these discoveries are very much the concern of the two governments. I hope when the Prime Minister meets the President, as well as on other occasions, these matters will be discussed between the two governments.

Mr. Woolliams: Mr. Speaker, may I ask a supplementary question on this matter, that is important to our nation. Is the Canadian government prepared to consider discussing a continental oil policy? When the Prime Minister meets with President Nixon will he consider discussing a new approach to the oil industry? I ask this question because the minister seemed unaware of the extensive nature of the recent oil discoveries.

Mr. Sharp: Mr. Speaker, I am sure all aspects of oil policy will be discussed between the governments in the near future.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Has the Alberta government made the suggestion to the appropriate minister in the Canadian government that a continental oil policy should be the heart of negotiations with the United States in maintaining and accelerating our exports, particularly at a time when there is serious danger of a deterioration in our oil market comparable to the deterioration of our wheat market?

Mr. Sharp: Mr. Speaker, that was quite a speech.

An hon. Member: And a good one.

Some hon. Members: Hear, hear.

Mr. Sharp: No such representations have been made to me, as Secretary of State for External Affairs. I think that question ought to be directed to the appropriate minister when he is in the house, tomorrow.

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. In view of the severe limitation that has been imposed on all oil exports to the United States, will the government re-examine our oil policy and consider the possibility of building a pipe line to Montreal, as an alternative to a continental oil policy?

Mr. Sharp: Mr. Speaker, I think that sort of question ought to be reserved for the minister who reports to parliament on these matters.

Mr. Speaker: The hon. member for St. John's East.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question cannot be asked because of the absence of the Minister of Transport and the Minister of Fisheries. I do not say that in any flippant or irresponsible manner. My question was one of urgency on Friday; obviously it is not considered urgent today.

NATIONAL DEFENCE

NATO—IMPLICATIONS OF CALGARY COMMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs in his capacity as Acting Prime Minister. Did his recent comments in Calgary on the subject of NATO reflect government opinion, or was he expressing his personal viewpoint?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I shall be happy to send a copy of my speech to the hon. gentleman. He will find a clear explanation of the circumstances under which I made it.

Mr. Woolliams: You are backing down.

EXTERNAL AID

DISTURBANCES AT CANADIAN-PAKISTANI NUCLEAR PROJECT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Acting Prime Minister in his capacity as Secretary of State for External Affairs. In the light of reports of unrest in Pakistan in connection with projects for which Canada is providing external aid, for reasons that also prompt us to give aid to India, will the minister kindly advise the house whether these projects are in jeopardy and whether Canadians involved in the Pakistani project are safe? Can he also say whether there will be any further trouble with these projects.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as a result of disturbances at the site of the joint Canadian and Pakistani nuclear power project near Karachi, which are a reflection of the general pattern of unrest throughout east and west Pakistan at the present time, construction on the project has been temporarily suspended. Officials from Canadian General Electric are going to Pakistan to investigate the situation and to discuss with Pakistani officials the arrangements under which construction may be resumed.

The injuries that were reported to Mr. Pullen were not serious. The Canadian High Commission has now secured from Pakistani authorities concerned round-the-clock protection for Canadians at the site.

Inquiries of the Ministry

EXTERNAL AFFAIRS

IRAQ—PROTESTS AGAINST EXECUTIONS

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of reports that further public executions are to take place in Iraq tomorrow, I think, will the minister inform the house whether the Canadian government has made any representation to the Iraqi government on these proposed executions, protesting against them and asking that government not to carry them out?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government is profoundly disquieted by reports that there may be further mass executions in Iraq following those which took place on January 27 and February 20. As hon. members are aware, we have conveyed to the Iraqi authorities our humanitarian concern about the developments of the past two months. In addition to humanitarian considerations, there is the danger that actions of this kind may reduce the prospect of achieving a peaceful and accepted settlement in the Middle East. I know that the Secretary General of the United Nations has been following this question very closely.

I asked my officials today what it was that the Secretary General had said. I am informed he gave a very careful statement which reflects the concern which we all have that we should not do anything to exacerbate the difficulties. The Secretary General said that he has been following this question very closely, has indeed been in touch with the two governments concerned over the week end, and that it would not be in the public interest to say more. I should very much hope therefore that the Iraqi authorities will avoid steps which may cause a further deterioration of the situation and prolong the search for peace.

Mr. Lewis: A supplementary question, Mr. Speaker. Can the minister inform the house which two governments the Secretary General of the United Nations is referring to? Are they Iraq and Israel? Would he also inform the house whether he has requested our ambassador in Teheran who, if I remember correctly, is also assigned to Iraq, to make personal representations on this matter today?

Mr. Sharp: It is my understanding, Mr. Speaker, that the Secretary General was referring to Iraq and Israel. As the hon. member knows, I have had some representations from the Canadian Jewish Congress, and others, to try to take whatever action we could to help the position of the Jews in Iraq. It is in the light of that consideration that I feel I ought to act carefully. I will take his suggestion into account that we should make further representations. I would also ask him to consider that we may find there are other ways of achieving some benefit for those unfortunate people.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. Can the minister say how the arrangements are progressing regarding the possible acceptance by Canada of Jews from the Middle East, particularly from Iraq?

Mr. Sharp: These matters are progressing, Mr. Speaker, and I hope in a few days to be able to make a report.

LABOUR RELATIONS

WOODS REPORT—INQUIRY AS TO IMPLEMENTATION

Mr. H. Russell MacEwan (Central Nova): My question is to the Minister of Labour. I do not know whether he can answer at this time, but I would ask the minister in regard to the Woods task force report whether the government intends to proceed by way of legislation based on the report, or by referring the report itself to the Standing Committee on Labour, Manpower and Immigration?

Hon. Bryce S. Mackasey (Minister of Labour): It is my intention, Mr. Speaker, to amend or revise the Industrial Relations and Disputes Investigation Act. Certainly I will take into consideration the recommendations of the Woods report. How we are to proceed with that report has not as yet been determined.

IMMIGRATION

ADMISSION OF UNDESIRABLE PERSONS—REQUEST FOR COMMITTEE STUDY

Right Hon. J. G. Diefenbaker (Prince Albert): I direct this question to the Minister of Manpower and Immigration. My recollection is that Jerry Rubin, the yippie leader, was in early January officially declared ineligible for entry into Canada. My information is that he has been making speeches for the last week. Would the minister say what the circumstances were which changed the order which was made in January so that this revolutionary trouble-maker could come to Canada?

Hon. A. J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, Mr. Rubin did spend a couple of days, or less than that, in Canada last week. He was admitted at Toronto airport. He attended three universities and the results were rather harmless. He did not make much of an impression.

Mr. Diefenbaker: I wasn't asking about the harmless results. I was trying to find out who slipped up, so that he got in through the immigration checkpoint?

Mr. MacEachen: Mr. Speaker, the admitting officer in Toronto admitted Mr. Rubin. I think if he had known the full facts he might not have admitted him, but in any event he did admit him.

Mr. Diefenbaker: Has this immigration officer, and have immigration officers in general, received word or advice from the minister's department that Rubin was persona non grata in Canada and should not be admitted?

Mr. MacEachen: Mr. Speaker, I think it was last October, and then in December we determined in the department that he should not be re-admitted into Canada, and this word was sent out to the officers. In this particular case at the Toronto airport, the particular officer did not recognize the man he was dealing with.

Mr. Diefenbaker: Under what name did he come in?

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. In view of the fact that the government has arrived at a conclusion with respect to a known agitator, Jerry Rubin, has it arrived at other conclusions with respect to the admission or non-admission of other known agitators who have been in Canada in the past year or so, and as a result of whose admission the whole country seems to be living in fear of what is going to happen, in terms of student riots and the like?

Mr. MacEachen: Mr. Speaker, the expression "known agitators" is not very helpful to the department in reaching a decision of this kind. The case of Rubin was clear cut. He had been in Canada last fall and had taken certain actions which we thought were not in accordance with the public order of the country. For that reason we did make a decision that his return to Canada would not be desirable. He did come back and he made some speeches, but the speeches did not have that earth-shaking effect that they might have had.

Mr. Andrew Brewin (Greenwood): As a supplementary question, Mr. Speaker, would the minister discuss with the Chairman of the Parliamentary Committee on Manpower and Immigration the possibility of arranging shortly for a discussion of this matter, and the related matter of deserters and draft dodgers which has come up from time to time in the house and which is causing a great deal of confusion and unhappiness generally?

Mr. MacEachen: Yes, Mr. Speaker, I would be glad to discuss that matter with the committee chairman.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that a decision was made to bar Rubin could the minister let us have the expurgatorious list covering the names of individuals who were in Canada last fall and who have since, as a result of a declaration by the department, been rendered inadmissible to Canada? Could he give us that list?

Mr. MacEachen: Mr. Speaker, I am not aware of any list of that kind.

Mr. Diefenbaker: Have you any other list?

Mr. Speaker: The hon. member for Wellington.

Mr. MacEachen: Mr. Speaker, we must deal with these cases on an individual basis. I have explained the circumstances surrounding Mr. Rubin's entrance into Canada.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a further question arising out of earlier questions asked of the Minister of Manpower. Canada is about to be visited by "Red" Rudi Dutschke. "Red" Rudi has been refused admission to the United Kingdom I think and by the United States, and other countries in Europe. Is he on this list of those who will not be welcome? In addition to that, what about Alan Ginsburg who is about to visit British Columbia, not because of the salubrious climate there, but in order to disseminate his ideas about pornography about which he is an expert, having recently been convicted?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I

am not as familiar with these characters as the right hon. gentleman. I will attempt to brush up on these matters.

Mr. Diefenbaker: Mr. Speaker, it is very obvious that the department needs brushing up.

[*Translation*]

TELEVISION

INQUIRY AS TO REPORT OF TASK FORCE

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to ask a question of the honourable and wise Secretary of State.

Could the minister tell us when the task force he set up four months ago to study educational television will conclude its work and report to him?

[*English*]

Hon. Gerard Pelletier (Secretary of State): Mr. Speaker, I am pleased to say that the task force is scheduled to complete its report somewhere around June 1, and up to now I have received no disturbing indications that they would not be in a position to do so.

LABOUR CONDITIONS

SUMMER EMPLOYMENT FOR STUDENTS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct this question to the Minister of Manpower and Immigration. Is the minister or the government giving any consideration to changing the policy whereby people are imported or are brought into Canada to assist in the harvesting of Canadian crops while our own Canadian students are without work and are seeking employment?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, as my hon. friend may be aware, I did announce on Friday the continuation of movement of farm workers from the Caribbean countries. It is a very important element in the development policy of these countries and is important to the farming operations in certain parts of Ontario. However the number coming into Canada will be a very small part of the total labour demands in Canada this summer, and there will be opportunities for students.

Mr. Hales: I was aware of the announcement, Mr. Speaker, but I was asking the minister whether he had decided to change his policy since that announcement was made, because of the great number of representations.

[Mr. MacEachen.]

Mr. MacEachen: I have received no representations since Friday.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In line with his promise of last week concerning a statement regarding initiative by his department on behalf of students in Canada, would the minister tell us with a little more certainty when he will be prepared to make such a statement,—because I have received an increasing number of representations from a large segment of the Canadian student body, asking for such a statement.

Mr. MacEachen: I cannot tell my hon. friend when such a statement will be made. A statement will be made, however, at an early date.

QUEBEC—MEASURES TO COMBAT UNEMPLOYMENT

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Labour. In view of the minister's recent statement that separatism in the province of Quebec is substantially due to the very high levels of unemployment in that province, I should like to ask whether he is prepared to announce to the house any program his department has for immediate implementation in that province to deal with that situation.

Hon. Bryce S. Mackasey (Minister of Labour): I perhaps paradoxically said that to a great degree unemployment is due to separatism. Perhaps also separatism is due to the rate of unemployment. So, it is a question of the chicken and the egg. However any concrete proposal to alleviate unemployment in the Montreal region is primarily the responsibility of the new department of regional expansion, and the department of manpower, which is doing a very adequate job in retraining the chronically unemployed in that province.

INQUIRY OF THE MINISTRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct this question to the Minister of Manpower and Immigration. This seems to be his day. In view of the report that General de Gaulle is going to make a visit to the United States, may I ask the minister whether his department has instructed its border officials concerning what they are to say to him if he seeks to come back to Canada.

TRADE

RESTRICTIONS ON EXCHANGE OF GOODS WITH ITALY

Mr. Cliff Downey (Battle River): Mr. Speaker, this question is for the Acting Minister of Trade and Commerce. Have any changes in Canadian tariff or import rates or regulations been made recently which would have the effect of restricting Italian exports to this country, and hence the purchase of Canadian goods, particularly livestock, by Italians?

Mr. Speaker: I would think this question should be placed on the order paper. If it is a matter of urgency it could be placed on the order paper or notice could be given to the Chair for the purpose of debate at the time of adjournment then the question would be given priority.

[*Translation*]

EXTERNAL AFFAIRS

BIAFRA—PROTESTS AGAINST SALE OF ARMS

Mr. Bernard Dumont (Frontenac): I wish to ask a question to the Secretary of State for External Affairs.

Can the minister assure us that representations have been made to every country selling arms to Biafra or Nigeria?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the attitude of the Canadian government on this question is well known to the world, as well as to them, by the statements made by the Prime Minister of Canada.

BIAFRA—STEPS TO IMPLEMENT RECOMMENDATION OF STANDING COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question. In the light of repeated and contradictory reports on bombings in Biafra, will the Secretary of State for External Affairs say what steps he has taken since November to implement the first recommendation of the Committee on External Affairs and National Defence.

Mr. Speaker: I would think the question as asked by the hon. member is very general. He is asking the minister to make a general statement as to steps which may have been taken by his department or the government. The question as asked is not according to the rules.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—PARTICIPATION BY ONTARIO IN NATIONAL PROGRAM

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether his department has any special proposal, or is willing to make any concession to meet the objections of the government of Ontario and thereby facilitate Ontario's entrance into the national medical care program as soon as possible.

Mr. Speaker: I would think that this question is perhaps of the same nature as the one asked previously. It is very general. It seems to me the hon. member is asking for a statement concerning policy. I would think in the circumstances the question could not be asked unless put in very specific terms. I would suggest it should be discussed at the time of adjournment.

Mr. Haidasz: Mr. Speaker, may I reword my question. Is it the intention of the Minister of National Health and Welfare to meet the Premier of the Province of Ontario to discuss the problems of that province so far as the national medical health care scheme is concerned.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would be happy to, if the premier would request it.

SPORTS

NATIONAL HOCKEY TEAM—INVITATION TO CANADIAN HOCKEY ASSOCIATION

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of National Health and Welfare. With reference to the meeting which the minister had recently with hockey executives in connection with the future of Canada's national hockey team, could the minister say whether an invitation was extended to officials of the Canadian Hockey Association, and if not why not.

Mr. Speaker: I think this is a question which might well be considered at the time of adjournment.

Mr. Simpson: On a point of order, Mr. Speaker: With great respect, it is a question which deals with Canada's national hockey team, which the government is sponsoring to a certain extent. The minister announced in the house that he would be having a meeting with hockey executives on this question, and I merely wish to find out whether one of the

main groups of hockey executives in Canada had been invited.

Mr. Speaker: Perhaps the minister could answer this very properly and more easily at the time of adjournment.

RESEARCH

STUDY BY STANDING COMMITTEE AS TO TREATMENT OF ANIMALS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct this question to the house leader. In view of the public alarm and indignation over bills now before the Ontario legislature which would force animal shelters and pounds to turn over unwanted dogs and cats to experimental research would the federal government ask the Standing Committee on Agriculture or some other standing committee to study and report forthwith on the matter of the treatment of animals.

Hon. Donald S. Macdonald (President of the Privy Council): I would be glad to discuss that with my colleagues.

HOUSE OF COMMONS

ABSENCE OF MINISTERS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, this question is for the Acting Prime Minister. Will he take up with his fellow colleagues in the cabinet the fact that four members of the cabinet who are supposed to be here today are not here, on a day when most of us are ready in our places to undertake the week's work.

An hon. Member: It doesn't look like it.

CANADIAN BROADCASTING CORPORATION

STATEMENTS BY PERSONS DECLARED TO BE UNDESIRABLE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address to the Secretary of State a question which is related to previous questions which have been asked of the Minister of Manpower and Immigration. What is the policy, if any, of the C.B.C. with regard to the broadcasting of statements and opinions of persons who have been declared by the Department of Immigration to be so undesirable that they should not be allowed into the country.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am not too well aware of the C.B.C.'s policy in that regard, but I will gladly pass on the hon. members' question to the corporation and make the answer known to him.

[*English*]

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. When the officials of his department are listing the group of people they deem to be undesirable for entry into the country, could they send a list of these names to the officials of the C.B.C.?

INDIAN AFFAIRS

SECHELT, B.C.—ALLEGED HARASSMENT BY R.C.M.P.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Solicitor General asking him whether any complaints have reached his ears about harassment, to say the least, and brutality in some cases by the R.C.M.P. in respect of native Indian people living at Sechelt on the coast of British Columbia and, if he has heard such complaints, what action is being taken in respect thereto?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I have heard no such complaints.

Mr. Howard (Skeena): Mr. Speaker, I should like to ask the minister whether he would mind inquiring into this matter which I understand, incidentally, was raised in the legislative assembly of that province not long ago?

Mr. McIlraith: Yes, Mr. Speaker, I will be very glad to inquire into the matter.

PUBLIC WORKS

RECONSIDERATION OF NEGATIVE DECISIONS ON CAPITAL PROJECTS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the Minister of Public Works whether his department is reconsidering negative decisions in respect of capital projects in some regions of Canada in order to co-ordinate the work of his department with that of the Department of Regional Development?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I gather from the question the hon. member has asked that he regards the distribution of work under my department as unfair in respect of the maritimes. I had a look at the program over the weekend, and I cannot agree with him. As a

matter of fact, I think there is a very fair distribution of work in all parts of Canada.

Mr. Lundrigan: My concern is that this department has given up the ghost. I want it to take up the spirit.

POST OFFICE DEPARTMENT

EFFECT OF RATE CHANGES IN NON-PROFIT PUBLICATIONS

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Secretary of State a question in his capacity as the minister answering or reporting today for the Postmaster General. Having in mind the very large number of representations coming to members of the house from all sections of the non-profit press as to the very heavy increase they are now having to pay under the new rates, will the Secretary of State ask his colleague to take a second look at this situation?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I will gladly draw that question to the attention of my colleague.

[*English*]

EXTERNAL AFFAIRS

THE SICOTTE CASE—POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to ask the Acting Prime Minister when the government proposes to respond to my question of Friday about the public interest aspect of the Sicotte case?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not today, Mr. Speaker.

DRUGS

MACE—TESTS TO REVEAL POSSIBLE DANGERS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he has had a chance to consider the question I put to him a few weeks ago about making a statement in the house regarding any experiments his department might have conducted on the use of Mace?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have had an opportunity to look into this. I apologize to the hon. member for not reporting on it earlier. As far as I am aware it is not being used by any of the law enforcement units in Canada.

Mr. Barry Mather (Surrey): Could the minister tell the house whether his department has conducted any experiments on its use and whether a report on its effects is available?

Mr. Speaker: Order, please. I doubt whether this supplementary question is in order. It might be placed on the order paper.

VIOLENT DISTURBANCES

MONTREAL—USE OF R.C.M.P. TO INVESTIGATE BOMBING INCIDENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, is the Solicitor General in a position to answer the questions I asked last week relative to the degree of investigation carried on by the R.C.M.P. in respect of bombings in the province of Quebec?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker, I would be glad to give what information I can. The responsibility for investigating the bombings is, of course, primarily that of the Montreal city police force, the Quebec Provincial Police and other Quebec authorities. I want to add very quickly however that the R.C.M.P. is and has been co-operating fully, offering every possible help to those two forces. Meetings take place between the heads of the three major police forces from time to time and the general problems are considered.

In addition the R.C.M.P. is giving those two forces all the co-operation requested, and these other forces are completely satisfied with the co-operation they are receiving. I have assured myself on that point. The Montreal police and the R.C.M.P. have the best possible working relations at the working level as well, and they know that they can rely on the R.C.M.P. for any additional help that might be suggested or might be felt to be useful.

In addition to the work actually being carried on by the R.C.M.P. in conjunction with those two police forces in investigating bombings, the R.C.M.P. in carrying out its general responsibilities in other fields of law enforcement, is also very much aware of the need for any information which may be obtained in their work which would be of assistance to the provincial or municipal police forces, being made available to those forces.

I should also like to assure the house that I have checked and am satisfied that the matter of manpower is not a problem in carrying out investigations into bombings. I cannot of course go into the details as to the method of investigation or other matters in carrying out those investigations. I am sure the house will understand that.

Inquiries of the Ministry

HIGHWAYS

REQUEST FOR CONSTRUCTION OF SECOND TRANS-CANADA ROUTE

Mr. Frank Howard (Skeena): Mr. Speaker, on an earlier occasion I asked the Minister of Public Works whether he had any plans for a national highway building conference in order that we could deal with the prospect of building a second trans-Canada highway, with federal government assistance. Is the minister in a position to make any response to that question?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, at this time the answer would have to be the same as I made the last time. There are no plans at present.

Mr. Howard (Skeena): Is the minister aware that he gave no answer the last time, but that his parliamentary secretary has drawn this to his attention?

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF DISPUTE WITH ARTEC

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in view of the fact that negotiations have been going on for almost a year and a half and there was a final take-it-or-leave-it offer from the C.B.C., can the Minister of Labour advise the house whether he or people from his department are involved in any direct discussion with either the C.B.C. or ARTEC and, if not, will he offer the services and offices of his department to obtain an early settlement of this dispute?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the hon. member knows that the dispute between ARTEC and the C.B.C. is before a conciliation board headed by Dr. Arthurs. Until I receive a report from the board it would be improper for the minister or anyone in the department to intervene in this dispute. I understand however that the report is due within a matter of days.

Mr. Benjamin: Mr. Speaker, can the minister advise the house whether the conciliation board has ceased conciliation and is bringing down a report because the offer by the C.B.C. was on a take-it-or-leave-it basis?

Mr. Speaker: I suggest that the supplementary question is argumentative.

[Mr. McIlraith.]

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I would like to ask the Minister of Labour whether he would exercise the now well recognized right of any minister and give advice to the Postmaster General on how he should straighten out the staff problems in that department.

Mr. Speaker: Order, please.

TRANSPORT AND COMMUNICATIONS

REQUEST FOR CONCURRENCE IN REPORT OF STANDING COMMITTEE—ORDER DISCHARGED

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I rise on a point of order, which is not a point of order as much as it is a question. I notice on today's order paper a motion standing in the name of the hon. member for Manicouagan (Mr. Blouin), which was presented exactly three months ago. I should like to ask the government house leader when that motion for concurrence will be moved.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I will be glad to deal with that matter. I have made suggestions to the hon. member's colleagues, to the house leader of his party and to other hon. members opposite that in view of the fact that the first part of that report deals with a motion that has already been passed providing for a study of maritime transportation, and in view of the fact that the second part of the report deals with a non-existent railway company, it seemed to me on the whole preferable that that particular motion be withdrawn.

However, to make it possible for the question to be dealt with which particularly interests the hon. member for Selkirk (Mr. Schreyer), namely the question of the Great Slave railway, we propose to refer the annual reports of the Canadian National Railways and Air Canada to the Standing Committee on Transport and Communications. As I said, I have furnished opposition house leaders with copies of the draft motion, and if it is now found to be generally acceptable that we make such a move, perhaps the hon. member for Manicouagan could be given unanimous consent to withdraw his motion and we could move a motion referring the annual reports to the committee.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Is it so ordered by the house.

Order discharged and motion withdrawn.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

CONSIDERATION OF SUPPLEMENTARY ESTIMATES (B) 1968-69—MOTION RESPECTING ONE-DOLLAR ITEMS

Mr. Speaker: Order, please. In accordance with paragraph (4) of standing order 58 when two or more opposition motions are set down for consideration under the order Business of Supply, it is the duty of the Chair to decide which motion shall have precedence at this sitting. The two opposition motions set down for consideration at this sitting are almost identical, as hon. members will note on looking at today's order paper. Therefore in connection with this aspect of the matter, the task of the Chair is somewhat eased.

After the first of these motions has been debated, I have some doubts as to whether the second motion should be proceeded with, as this procedure would then be inconsistent with the usual practice of the house, and it might be difficult to proceed with the debate of the second motion when we have completed the debate of the first one. I therefore suggest that preference at this particular sitting should be given to the motion proposed by the hon. member for Peace River (Mr. Baldwin).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I beg your indulgence merely to say that I agree with the choice you have made between the two motions, since they are more or less the same. I also agree with Your Honour that if we have a debate on the first one it will be unnecessary to have a debate on the second one, which stands in my name.

Hon. Donald S. Macdonald (President of the Privy Council): Perhaps it might be helpful if I could refer to discussions which have taken place. I understand there is a general disposition to commence the discussion with the question of the one dollar items, and that after that subject matter has been dealt with adequately it is the proposal of hon. members opposite that we should proceed to the details of the estimates. My understanding is that their preference is to deal with the item in regard to housing first, and with the item on manpower and immigration second. I should like to indicate that I and my colleagues would be agreeable to that course of proceeding, and I would like to take this opportunity to make these discussions generally known to the house.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I also have a moment to concur in what the government house leader has said. I would just like to say that it was also agreed that the appropriate ministers would be here when we deal with their items.

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

That this house concurs with the views expressed by the Standing Committee on Miscellaneous Estimates relating to the use of $1.00 items in estimates as set out in paragraphs one and two of the fourth report of the said committee on February 28, 1969.

He said: Mr. Speaker, before I launch into a discussion of the subject matter of this motion I think I will be pardoned for referring to the matter which was brought up by the hon. member for Winnipeg North Centre (Mr. Knowles) with regard to ministerial attendance. I would be quite out of order if at this stage I were to comment on the fact that during the course of the question period fewer than half of the ministers of the Crown were present. Nevertheless I am in order when I say that on a motion which affects the government as a whole—not necessarily any one minister, but a government practice which forms the basis of my motion, and one to which we object strenuously—one would have thought that a large number of ministers would be here, not necessarily to hear what I and other members may have to say but to hear also the criticisms which have been and will be voiced, not only by members on this side of the house but also by members on the other side. Apparently however, in so far as this matter is concerned they have slipped their leash, and I therefore voice a very serious criticism of a bad practice on the part of this government.

I also want to say at once that I will not go into much detail on the particular items in question. In the first instance I was not a member of the committee, and in the second it is only a few minutes ago that the transcript of the proceedings of the last meeting of the committee have been made available to members of the house who are concerned about this matter, and who may wish to participate in the debate. I am not placing any blame upon the functionaries who are involved, but we on this side did agree to an order to facilitate proceedings whereby the Standing Committee on Miscellaneous Estimates would entertain a discussion of the final supplementary estimates. Then, it was agreed that today, tomorrow and Wednesday would be days upon which at the appropriate

time the opposition would have an opportunity either to launch substantive motions or to have a discussion of the items in the supplementary estimates.

I must point out that it is very difficult for hon. members who are not on the committee to deal with this in detail unless the transcript of the proceedings is at hand. I only hope that in other situations which develop these proceedings will be made available.

Having said that, I should like to point out that since the motion which I have made deals with the fourth report of the Standing Committee on Miscellaneous Estimates I think I should put on the record the particular paragraphs of the fourth report of that committee which are referred to in the motion.

Paragraph 1 on page 2 reads as follows:

> Your committee expresses its concern at the extensive use of $1.00 items for the purpose of statutory amendments particularly in final supplementary estimates which are under time limit as to examination in the standing committee and for debate in the house. Appropriate legislative amendments should be made in all but the most exceptional and urgent cases.

The second paragraph reads:

> Your committee also noted with concern an even greater use of $1.00 items for the transfer of moneys from one account to another. In a number of cases an under-expended item served as a prolific source of funds for unrelated purposes in the same ministry.

These motions were proposed by my colleague, the hon. member for Edmonton West (Mr. Lambert); and to show that this was approached in a non-partisan way, I am given to understand that they were seconded by the hon. member for Battleford-Kindersley (Mr. Thomson). They were passed in the committee and now form the subject for discussion by this house.

• (3:00 p.m.)

As I said, Mr. Speaker, my hon. friends will deal with specific charges related to definite items. I intend to make a general statement. Before doing so I would call attention to the fact that out of 29 pages of these supplementary estimates, dollar items appear on all but two, and a number of these pages have nothing on them but dollar items. This is the basis of supplementary estimates which, at first blush, are in terms of $150 million but which, having regard to these dollar items, amount in fact to a much larger sum.

These dollar items are the target of our criticism. I shall direct it to two areas in particular. The first is the improper use of these items in lieu of legislation. The principle involved here is not something we have just dreamed up for the occasion of this particular motion. For a number of years I, together with other members of this party, have subjected the government to what we consider to be valid and well-deserved criticism for including in estimates, supplementary estimates and even in final supplementary estimates, one dollar items which have the effect of legislation.

When we legislate we go through a complex process in parliament. Measures are introduced and given first reading. A fairly wide-ranging debate is permitted on second reading. Bills are referred to a committee where members have opportunities to pursue discussion and propose amendments. There is a report stage during which the house considers carefully and in detail the value of the proposal and the advisability of spending money in the direction indicated. Amendments can be proposed as considered necessary. Then there is third reading. Here, in place of this reasonable and necessary process, we find that in the form of a few lines in a vote in supplementary estimates appears a dollar item which in effect constitutes an appropriation of money to be used in most cases as the government thinks fit, with complete freedom and discretion. This amounts to a travesty of parliamentary control over the executive and in particular of control by this house over expenditures of money by the executive.

I agree there is a case to be made occasionally for dollar items in urgent situations where such items might be needed to give the government the right to expend money at some future date for a purpose in respect of which a minister must come before the house and make an explanation in great detail. This is not the case in the present circumstances. We are talking now about final supplementary estimates in respect of the fiscal year which ends on March 31, only a matter of weeks from now. Obviously, every one of these dollar items deals with expenditures which have already been made by the government without regard to securing prior legislation authority, and which they are now trying to cover up.

Some hon. Members: Hear, hear.

Mr. Baldwin: In order to avoid strong criticism from the Auditor General the government must obtain, by means of these dollar items, authority for expenditures which have

already been made and for which there is no legislative approval at all. This is the development of a trend which has been apparent year by year, slowly eroding the right of parliament to say to the government: You must tell us what this money is for, how it is to be spent, and give us the right to propose changes. Bearing in mind the financial situation generally and the fiscal arrangements which concern us, I maintain this is a valid criticism and I hope the President of the Treasury Board (Mr. Drury) and other ministers whose departments are concerned will appear to answer the charges which I and other hon. members will bring forward with respect to this issue.

Now I come to my second point. In these dollar items the government is seeking, *post facto*, the right to take money voted for one purpose and use it for something entirely different. There can be no question about that. Dozens of these items are accompanied by a provision that moneys unexpended under one particular appropriation may be used for something entirely different, something which parliament has not authorized. Anyone who takes the trouble to go through the pages of this supplementary estimates booklet will be able to find the votes in question. No doubt the government, possibly with the best of intentions, found reasons for spending the money in a different way, and no doubt its friends will put forward these explanations. But the principle that there should be wholesome restraint of the executive is being stretched to the point where there is no restraint, wholesome or otherwise.

Some hon. Members: Hear, hear.

Mr. Baldwin: Taxation, I suppose, is inevitable, but what we are seeing now is taxation without effective representation and without the consent of the people who pay the taxes. This is a habit which I suggest is capable of growing until ultimately it becomes a chronic disease, and for this reason I sincerely hope hon. members on the other side of the house will join with me in rejecting it. I trust they will have an opportunity to indicate their support for the basic principle upon which this motion is founded.

The practice with which we are concerned today is but another indication of the tendency on the part of this government to oust the Commons and I push it to one side. We have seen this trend developing. There was the statement by the Prime Minister (Mr. Trudeau) a year ago about mastery of the house which he attempted to exemplify by his endeavour to force rule 16A down our throats. We have seen it exemplified in the increasing use of orders in council, and in almost every legislative proposal which has come before us. Increasingly, the government is arrogating to ministers, to departments and to emanations of the administration the right to deal with the lives and the property of our people by orders in council and ministerial decrees rather than by acts of parliament.

I know I have raised this question before. It was pointed out then that a committee is presently investigating this aspect. But if the trend continues it will take not one parliamentary committee but a dozen to cope with the extent to which the government is taking from parliament the right to legislate, thus preventing members of the house and of the other place from voicing their objections, if any. This is an unhealthy trend and one to which we must call attention. In this connection we recall a recent directive by the government to its supporters: Follow our line when you go to committees, you must do as we tell you; there must be no deviationists in the Liberal party. I have dealt with this before. The hon. member for York East (Mr. Otto) is a wholesome exception to the general restraint. Having in mind the extent to which members of the other place have become increasingly independent of government, I am wondering when we can expect the hon. member for York East to be elevated and placed in a climate he would better fit.

• (3:10 p.m.)

Then there is a change in the office of the Prime Minister. There is a tremendous increase in regional desks, which will mean a bypassing of the House of Commons. I am not being irrelevant; I am merely trying to indicate, within the four corners of the final supplementary estimates for the 1968-69 fiscal year, yet another illustration of the serious movement toward too great government control which takes away from the House of Commons and from parliament the right they should exercise.

I think it is a tragedy that too many people accept this trend and take it for granted. They say it is quite normal. Many people say that governments are entitled to exercise this extraordinary power, and particularly to have increasingly unfettered authority to spend money. This is a dangerous frame of mind into which to allow ourselves to fall. I blame for this the government, the members of this

house and parliament, and I also place a measure of blame upon the public media which see this happening but all too often are inclined to deal with matters which, politically speaking, have more sex appeal. In addition I blame the public for accepting this situation.

I think that an opposition party is not worthy to represent the people of this country unless it takes every opportunity, as we have in the past and as I am sure we intend to in the future, to call to the attention of the government, the house, parliament, the press and the public the dangerous situation that has now been brought about. All too often we are falling into the belief, one that has been sedulously encouraged and nourished by the government and its apologists, that all that our democratic process should now consist of is to elect a dictator every four years, hopefully a benevolent dictator but nevertheless a dictator, who will in fact have complete control, through the use of devices such as this, over the operations and fiscal policy of the government.

This would be bad enough if it worked, but it has not worked. It has not worked with this government. Our constitutional difficulties, the problem of poverty—the gap between the people in the lower income brackets and the rest of society is growing wider—our housing and our agricultural problems are still with us. For this reason it is becoming increasingly evident that governments alone, whether they are headed by a benevolent dictator or not, are unable to deal and incapable of dealing with these problems.

This is why I have taken it upon myself, with the support of our party and I believe of other hon. members on this side of the house, to move the motion I have. I am using it as a caveat to warn the house, parliament and the public of what is happening here. It simply is not good enough that this state of affairs be allowed to continue. This is part of the iceberg that is showing. I direct my words particularly to hon. members opposite when I urge them to join with us in this party and express their concern, their dislike of and apprehension of the kind of policy I have objected to and which forms the subject of the motion I have moved in this house.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is the first occasion since we revised our rules in December on which we have had a debate of this kind, namely, a consideration of final supplementary estimates in the house with Your Honour in the chair. The subject that we are discussing is, in my view, a terribly important one. I realize the house is not full and that every member is not sitting on the edge of his chair waiting to hear what is said. However, I submit that the issue is serious almost to the point of being grave.

Initially Your Honour made reference to the fact that there were two opposition motions on the order paper. I concurred in your selecting for debate the first one, namely, that moved by the hon. member for Peace River (Mr. Baldwin). Perhaps I might be permitted to include in my remarks the wording of the motion that was filed in my name just so that it will be seen that the opposition parties are thinking alike on this issue. This is the motion of which I gave notice on Friday:

> That this house concurs in the two recommendations in the fourth report of the Standing Committee on Miscellaneous Estimates, presented to the house on February 28, 1969, and in the concern expressed therein over the extensive use of $1 items in Supplementary Estimates (B) for the purpose of making statutory amendments and also for the purpose of transferring moneys from one account to another.

That wording simply makes it clear that what we want to endorse is the two paragraphs of the report of the miscellaneous estimates committee containing these two recommendations, which are to be found at page 756 of *Votes and Proceedings* for Friday, February 28:

> Your committee expresses its concern at the extensive use of $1 items for the purpose of statutory amendments particularly in final supplementary estimates which are under time limit as to examination in the standing committee and for debate in the house. Appropriate legislative amendments should be made in all but the most exceptional and urgent cases.
>
> Your committee also noted with concern an ever greater use of $1 items for the transfer of moneys from one account to another. In a number of cases an under-expended item served as a prolific source of funds for unrelated purposes in the same ministry.

I recognize that we are dealing here with matters that are somewhat technical and that it will be very easy for us in the course of this debate to get bogged down in detail. However, perhaps I can express my view of the situation in these words. People sometimes say that some day the computer is going to take over. I submit that as far as finances in government affairs are concerned, it already has. Parliament no longer has control of expenditures. We have the opportunity to engage in a debate like this, we have the opportunity to vote on package motions that

deal with estimates, but so far as actual control of the public purse is concerned, it has gone.

Perhaps we should try to get back that control. I am not one of those who say we should return to the old methods that worked when the budget was a mere fraction of what it is today and when life in Canada was much simpler. It may be we are going to have to use other methods. Perhaps we will have to develop something in the nature of a public accounts committee of the house that will deal with expenditures before they are made rather than after. I think it is fair to say that since it has been the practice to appoint an opposition member as chairman, the public accounts committee has done a good job. But it can deal only with expenditures after they have been made.

• (3:20 p.m.)

The fact is that every month, every week and every day millions of dollars of public money are being spent. Those expenditures go through a computer or machine with which we in parliament have only a passing acquaintance. The point the hon. member for Peace River and I are trying to make, and which other hon. members no doubt will take up, is that the way these supplementary estimates are being handled demonstrates that parliamentary control over expenditures has gone through the window.

Reference has already been made to the fact that before us we have about 29 pages of supplementary estimates, most of them being made up of $1 items. There are 51 of them, as a matter of fact. Every one of these $1 items is either a piece of legislation being put through parliament by means of a shortcut or a proposal to transfer money from one account to another, something the Financial Administration Act says cannot be done.

The practice of inserting $1 items has been growing in recent years. I recall occasions in the past when 25 such items were included in the estimates; I do not recall ever before seeing 51. In the past when nine or ten $1 items were included in the estimates we objected so strongly that the government withdrew some of them and promised to reverse the trend. Nevertheless, the trend to include more such items has increased in recent years to the point where today the computer looks after our expenditures and we, in parliament, carry on a somewhat irrelevant debate on them.

In these supplementary estimates the $1 items may be divided into two main categories. One group of items legislates. In other words, we are not being asked to vote $1 in those items; we are being asked to use this device to legislate on something that ought to be done by way of an act of parliament. Because there is authority to include these $1 items, the matters they legislate on become the law of the land. I point out that it is not only the $1 items in these supplementary estimates that legislate. The government seems to be quite open and above board in item 5b of the Department of Indian Affairs and Northern Development. Ostensibly it is asking for $3,185,000; yet when one looks at the detail of the item one finds the wording, "to include authority to spend", "to authorize the transfer", and so on. The government wants to spend money which has previously been voted for one purpose on another purpose. In other words, not only the $1 items are being used to give legislative authority for something to be done. Larger items in these supplementary estimates are seeking to do the same thing.

For instance, item 15b of the estimates for the Department of Manpower and Immigration seeks $6,200,000. When one examines the item one sees clearly that it is a legislative enactment. I will not take the time to read the wording of the vote but it, too, authorizes certain things. In earlier days what this item seeks to do would have been asked of parliament in the form of a bill. The same is true of vote 10b of the Department of Regional Development. Again, that item has legislative effect.

I wish to comment especially on vote 5b of Treasury Board and I shall do so later. The government seems to be quite open and above board in asking for $105 million. Yet when one examines the wording of the item one sees that what the item asks for would, in earlier days, have been the subject of an act of parliament. In other words, this item ought to ask for $105,000,001 to emphasize that it, too, is a legislative item.

As I have said before, for the government to bring in this mass of legislation under the guise of supplementary estimates and for it to think that somehow the house can exercise its function shows that what is being done is not only a gross abuse of the use of estimates but also that parliament does not control the pursestrings of the nation.

Many of these $1 items legislate, and many others have the effect of transferring money

from one account to which it was previously voted to another. As everyone knows, I am sure, the Financial Administration Act says this cannot be done. It is not possible to transfer money voted for one purpose to another account where it may be used for another purpose. In fact, once a single appropriation has been made in the estimates a department must submit details of how it intends to spend that money. Any change in the original breakdown of how the money is to be spent must meet with the approval of Treasury Board. But the transfer of money from one vote in the appropriations to another is expressly forbidden and cannot be carried out, even with Treasury Board approval, unless there is parliamentary approval for that action.

What has been happening in these cases is that not all the money voted for other items has been spent and the departments in question say: Let us not go before parliament and ask for another $1 million—that would not look good—let us transfer the money we have left over, and we will get by if we insert a $1 item in the estimates. That demonstrates the validity of what I have been saying, that parliament has lost control over expenditures. The computer turns out bills in the form of $1 estimates; parliament has the right to discuss and vote on the items, but the job they undertake to do has already been done. As a matter of fact, most of these moneys that are being transferred have already been spent. This is March, and the fiscal year ends on March 31.

We are not children, Mr. Speaker; we know how these things work. We know that departments may be short in one area and long in another and they decide to spend the total amount of money they have been voted before the end of the year. Really, these supplementary estimates are a fiction—and I could use stronger language to describe them. The computer age will not overtake us in 1984; if we have lost control over our expenditures, it has already arrived.

• (3:30 p.m.)

I was a member of the Special Committee on Procedure which developed the new rules under which we are operating. I agreed that it was a farce to discuss many of these items in committee of supply, and that it was better to refer them to the various standing committees. I hope the various committees will be allowed sufficient staff and facilities to enable them to do a good job. But with the government legislating by means of items in the supplementary estimates it becomes very difficult for Members of Parliament to keep in mind the relationship between the government and the way money is spent. As I suggested a moment ago, it may be necessary to develop more machinery or some new way to keep parliament in the picture. It cannot be done here with only three days to discuss supplementary estimates with Your Honour in the chair. It was not done when we had a committee of supply, and I doubt that it was done in the committee on miscellaneous estimates. I think it will be necessary to have a standing committee which would replace the Comptroller General. Such a committee could check on what is going on at the start rather than after the fact.

It is in that light, Mr. Speaker, that we complain about this whole process. In the whole picture, it has now proceeded beyond the danger point. Parliament has now lost control over the public purse. This is underlined and brought forcibly to our attention by what is before us now, namely, 29 pages of estimates, most of which are merely asking the house to approve the shuffling around of new ideas, new appropriations and new authorities that the government's financial computers have set up for approval.

There is one item to which I referred when I talked about these items having legislative effect, not only the $1 items but some of the larger ones, which I would like to comment on. I refer to vote 5b under the heading of Treasury Board, contingencies, in the amount of $105 million. We are far enough post-C. D. Howe that even $105 million is not a large sum of money.

We are being asked to approve $105 million under vote 5b. We are being asked to approve of the proposition that money approved for the 1968-69 year for public service salary increases which is not spent before March 31 can be used in the new fiscal year for that purpose. It has been a rule in parliamentary control of financial matters that moneys not spent during the fiscal year lapse. As long as that rule was in effect, the government was under certain pressure to reach agreement with its employees, formerly by negotiation and now by collective bargaining, before the end of that fiscal year.

When in Winnipeg over the week end I found that the usual grievances against the government still persisted. People want to know when something is going to be done about old age pensions, housing, and the pensions of retired civil servants. But I had a

particular grievance brought to my attention two or three times during the week end by federal civil servants who wanted to know when the salary increases being negotiated will come into effect. I had to say that I did not know the answer, and the reason for this is in vote 5b. If this item is passed it will no longer be possible to put pressure on the government to settle negotiations with its employees before the end of March because the government will be able to carry that money over into the next fiscal year. This vote goes even farther than that. It provides that not only can the government spend money in 1969-70 which was voted for 1968-69 but also that the government will have authority to set up a reserve fund for the years ahead. We are being asked to legislate by this item a whole new policy in respect of money for public servants' salary increases, the result of which will take the pressure off the government to act expeditiously in the handling of negotiations with its employees.

I agree with the hon. member for Peace River that this is a very important matter, concerned as it is with the control by parliament over finances. I think parliament has lost this control and something must be done or parliament will become irrelevant. We are also concerned with policies such as the one I just referred to, namely, public servants' salary increases. I hope the government will take a close look at this matter before the computor takes over the complete control of our finances. If this occurs, parliament will be indulging in irrelevant debate when it deals with estimates such as those now before us.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to speak early in this debate on the supplementary estimates (B).

I have noticed, as previous speakers have done, that there is much concern about this new method, especially about the abuse made in the estimates of $1, $2, $3 or $4 items.

The motion of the hon. member for Peace River (Mr. Baldwin) reflects precisely the concern of the Progressive Conservatives who disapprove of this method.

I have also noticed, like the previous speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) that he himself had brought forward such a motion. In fact, most of his speech was on that subject.

• (3:40 p.m.)

I should like to point out that while he did not move a motion, the leader of the Ralliement Créditiste (Mr. Caouette), through a question put to the Minister of National Health and Welfare (Mr. Munro) a few days ago, meant to ridicule and criticize this new method of getting money through $1 or $2 items.

Mr. Speaker, we are asked to pass after three days of debate supplementary estimates exceeding $200 million to enable the government to administer public affairs until the end of 1969. We feel that, on the whole, government needs money to pursue its administration.

A very well recall, Mr. Speaker, that during the last election campaign, we were promised a just society, the abolition of regional disparities and the opportunity for everyone to earn a decent living. Well, we still do not know exactly what the government is driving at with this concept of a just society, because, on the whole, its policies have not been clearly defined yet. In fact, before the house is a bill authorizing the creation of a new department, to be headed by the hon. member for Langelier (Mr. Marchand), the present Minister of Forestry and Rural Development.

During the discussion of these supplementary estimates, I wish mainly to deal with an important question, bearing on a large segment of the population of the province of Quebec and particularly of northwestern Quebec, and not exclusively on my own constituency, since the whole of Canada, of which—

The Acting Speaker (Mr. Béchard): Order. I find it appropriate to indicate to the hon. member, that as he has just said, his speech will bear on the development of northwestern Quebec. I must remind him that the motion under study is that introduced by the hon. member for Peace River (Mr. Baldwin), which reads as follows:

> This house concurs with the views expressed by the Standing Committee on Miscellaneous Estimates relating to the use of $1.00 items in estimates as set out in paragraphs one and two of the fourth report of the said committee presented on February 28, 1969.

Therefore, I think the hon. member's remarks should be limited to the very contents of that resolution.

Mr. Laprise: Mr. Speaker, I thank you for calling me to order. However, if I refer to the motion moved by the hon. member for Peace River, I think the discussions will not last three days, especially if we limit ourselves to that sole item.

I was under the impression that we were, during these three days, to duscuss the whole of the supplementary estimates (B), but I realize that for three days our discussions will deal exclusively with an amount of $1 to enable the government to carry on.

I imagine that I shall be brief, Mr. Speaker, if our debate is to be limited to this subject. I have listened attentively, not to the beginning, but to a large part of the presentation made by the hon. member for Peace River, and also to that of the hon. member for Winnipeg North Centre. However, I would have liked to know beforehand what the views of the government were on the matter. Both the previous speakers have discussed at length the practice, which is gaining ground, of transferring credits from one account to another. Does this mean that some departments are unable to spend the money that the government or the house has allotted them, since such moneys are to be transferred to another department?

Mr. Speaker, I think that such a practice is really ridiculous. It shows that the government does not necessarily respect hon. members' viewpoint and, in my opinion, changes should be made in the way the estimates are introduced or in the manner in which the house is called upon to vote on them. The requirements of each department should be clearly explained. The supplementary estimates should inform hon. members as to how the government wants to spend the money it asks the house to vote, so that we may know what it wants and make the necessary recommendations.

Mr. Speaker, if such a practice does not change soon, opposition members will take the necessary steps to change it.

[*English*]

Mr. Lewis: Mr. Speaker, may I ask whether it is the intention of the President of the Treasury Board to deal with this matter? Having heard the initial statements, perhaps he could do so now so that we would know what his answers are.

Mr. Drury: Mr. Speaker, it had been my hope to listen to all the observations and then attempt some kind of an answer to them because I am persuaded that a more than adequate answer exists. From what the hon. gentleman has suggested I assume that no other hon. members wish to take part in the discussion of this motion.

Mr. Lewis: Not necessarily.

[Mr. Laprise.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say that I happen to know that the hon. member for Edmonton West wishes to speak. He happens to be in the phone booth in the lobby and he wishes to speak when he returns to the chamber.

Mr. Drury: Mr. Speaker, if the opposition cannot quite organize its troops perhaps I should go ahead and say a few words with the possible danger of making irrelevant all that the hon. member for Edmonton West would like to say. However, I would be glad to yield my position to him right now as I see he is back in the chamber.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I apologize to hon. members but I was called out of the chamber on an urgent matter. My first concern, as indicated by other hon. members, is the impression created by the minister in a news story on Wednesday last which quoted him as saying that parliament had lost or was losing control over the expenditure of public funds.

I was surprised that greater attention was not paid by the press and other commentators to what was happening in the Standing Committee on Miscellaneous Estimates. Many editorials have been written urging parliamentarians to make sure that every penny is accounted for and to insist that the government trim things to the bone.

• (3:50 p.m.)

In the committee we tried to get down to the real nub of the question. We examined these final supplementary estimates in a way that brought forward a lot of information. I commend to hon. members the transcripts of evidence which have now all been published, the last one coming in this afternoon, a little late in the day, and I shall have something to say about that in a little while. From these transcripts hon. members can see that full information was given. But how little comment!

I want to make it quite clear that I have no complaint at all to make to the minister about his availability to the committee. He was with us at the beginning of our studies, and following that the officers of the Treasury Board were very frank and open. On the last day, when committee members asked for certain ministers to be present, they came, I know at some inconvenience to one of them. I was appreciative of that effort. This is the sort of performance that will generate a degree of confidence between the government and the

members of the various committees looking at estimates.

Members of committees will have to be reasonable about the attendance of ministers, but if ministers adopt a high and mighty attitude and will not come before committees then we will have difficulties. However, on the basis of last week's performance I have no cause for complaint at all either with the ministers or with the officials.

Having said that, Mr. Speaker, I now want to complain about what I think was the deliberate action of the government house leader in devising the schedule for the study of these estimates and their re-appearance in the house. I complained about this matter in the committee, in particular in relation to the $1 items upon which we should have had much more extensive examination but which was not possible because the guillotine was falling.

A house order with reference to the committee's handling of the estimates was made almost concurrent with the tabling of the estimates, and hon. members did not have a chance to look at the final supplementary estimates and consider their implications. These matters cannot be fully appreciated in a period of five minutes. One has to study them and see what is involved. Yet the house was asked on Monday last to approve an order which sent these estimates to the Standing Committee on Miscellaneous Estimates, and that committee started its hearings at 9.30 the following morning. Study of the estimates was to be completed by Thursday evening, if not sooner, and I suppose members of the government hoped it would be sooner. The net result was that we sat on Tuesday. On Wednesday there was a vote in the house and I think we sat in committee for about an hour and fifteen minutes. Then, of course, we started again at 9.30 on Thursday. I object to this kind of performance. True enough, the government was only asking for about $200 million. There is about $50 million transferred and about $150 million new money. But is the time to be spent on these estimates to be rationed on the basis of the amount of money involved? In other words, are there to be so many millions of dollars per hour allotted to the committee? To this I must object.

There is another very important point. I do not know how many people had to devote almost the whole week end in overtime work in the preparation of the Minutes of Proceedings and Evidence so that they would be available to the house this afternoon. By special effort I was able to obtain my copy of Thursday's transcript at about 2.45 this afternoon after I had come down to the house. I had to send out for it in order to get it. That is not good enough.

Hon. members are asked to participate in a debate and are expected to have acquainted themselves with the detail of what went on in the committee and yet they do not have the evidence. This is what I complain about. It is in the spirit of the proposed 16A. In other words, the government house leader reaches down into a committee and tells that committee it must have its business done by such and such a time regardless of whether or not it is complicated and regardless of whether or not the members unearth many things which require investigation. In effect he says that this does not matter one iota, that it must be done by that time and if it is not the house order has authority behind it and if it is put to a vote there will be no question but that the iron heel will prevail. I object to this procedure because it is an iron heel. The President of the Treasury Board may wince a bit at that, but it is nothing more than an iron heel. I say here and now that we do not find that acceptable.

I should like to refer hon. members to the proceedings and evidence of the committee, particularly pages 91 and 92. First of all, what attracted me most was the contingency item of the Treasury Board, item 5b. I agree with my friend the hon. member for Winnipeg North Centre (Mr. Knowles) that it lends itself to abuse. I think the purposes have been stretched rather more than they should have been. I understand what the minister is trying to do, as I told him during the committee proceedings, but this is the wrong item for it. The contingency account of the Treasury Board is not a catch-all item; it is not a fund in which reserves are to be accumulated as is provided for in this item. There is nothing here that says there cannot be raiding. I can assure you this is something I am watching with a great deal of apprehension. Unless the house expresses its disapproval of the instructions in respect of the use of this account, on some occasion in the future when an emergency may arise because of the fact that the government cannot get legislation or certain estimates through, certainly not the type of contingency or emergency that this account is intended to cover, there will be a raid on the contingency account because the money happens to be there. I am fearful of what might happen.

So all I say is I do not like the practice, and other hon. members signified they did not like the practice. The minister himself did not like the practice. Here is what he said as recorded at page 91 of Minutes of Proceedings and Evidence No. 7 of the Standing Committee on Miscellaneous Estimates for Tuesday, February 25:

Mr. Lambert (Edmonton West): I am interested in, first of all, the use of the contingency account. I think perhaps you are establishing a general grab-bag here, Mr. Minister. I fully subscribe, I think, to the purpose that you are setting out, and we realize that you must have some funds available for paying these retroactive pay increases. But why use the contingency fund? This is the wrong use, I think.

Mr. Drury: I agree. It does not confine or meet strictly the notion that the contingency fund is for the sole purpose of looking after unforeseen, unpredictable contingencies. And I find the necessity for this not entirely satisfactory—

The minister was quite frank. I say to him that he and his officials must tax their ingenuity to find some other method of dealing with this problem with which they are faced and not hide it in a contingency account. I should like to refer hon. members again to the last paragraph on the right-hand side of page 91 and the top paragraph on page 92. My question was this:

Mr. Lambert (Edmonton West): But, Mr. Minister, is it proposed to, shall we say, get away from the use of this contingency account? There is unfortunately also the temptation that, having put this money in here in a vote and you come up against some other emergency where the government might be pushed by reason of opposition or one thing or another, you resort to the contingency account to tide over in an emergency. That is not the purpose of the contingency account. The contingency account as such, is there for a purpose and it is a question of parliamentary control over government. I, for one, would insist upon that.

This business of creating this fund for your labour negotiations, this is something new, but I think you are going to have to find some other device, to place your money in some position, or in your votes, or in some other place. Using the contingency account is an abuse, and it certainly is an abuse of parliamentary control. It is for that reason that I question it. You have been frank with us here in saying what it is. But I personally think that it is not to be repeated, that some of your staff have got to use their ingenuity for something else.

Mr. Drury: As I have indicated to you, from the point of view of conveying information, this does not entirely please me. What we have been trying to do is to make the estimates as clear a representation of both past and future expenditures as we can. In this particular case, the object is not clarity.

It was clearly stated that the object was perhaps rather concealment, not parliamentary control. If the government is allowed to do this once with regard to this contingency account, it becomes very tempting to do it in other accounts and to conceal or, shall we say, simply leave the purposes not clear. I do not think that should be the purpose. The government must be frank with hon. members. If this administration feels parliament should not have control over the pursestrings, why does it not say so? Why do the members of the government not say clearly that they feel there must be another form of government, that we should no longer have responsible government and that parliament itself should no longer have control over the spending of money?

As to the $1 items, of course we saw eight statutory extensions at least. We have seen them in the past. I have here the Appropriation Act for 1967-68. Certainly these supplementary estimates are replete with $1 items. I have not counted the actual number but there must have been between 20 and 30. In appropriation Act No. 7, (1967-68) there is one item creating a statutory extension under the National Housing Act.

• (4:00 p.m.)

When one considers how these estimates were passed and how little attention was paid to them, now that we have examined them I say that this is a bad practice, certainly in respect of the $1 statutory extensions of which there are eight. The hon. member for Winnipeg North Centre suggests there are others in some of the larger amounts and I think he may be right.

It is not that I object to the purpose of the vote. Let us take one item in the estimates of the Department of Labour, vote 12b. This is to provide for continuing compensation to some miners on Cape Breton Island who are suffering from silicosis. Of course we agree that the Government Employees Compensation Act should be amended to provide for this compensation and make it legal. But I do not see why an act could not have been put through with a proper schedule to provide for this compensation rather than using a $1 item. Someone will question this procedure in the future and suggest that it does not provide for payment to these people and others in similar circumstances. It will have been done through a $1 item in the Appropriations Act for 1969. This does not make for good administration. I think we should know about these things and I am sure it would have taken no time at all to pass this item as a direct legislative change.

We then have vote 25b in the estimates of the Department of Manpower and Immigration. Again this is for some additional purpose not spelled out. I am sure it is of a kind that would be acceptable. I think I remember correctly that the assistant secretary to the Treasury Board said it was for types of training agreements that were not quite covered under the legislation or the votes provided, but still it is an extension.

Under Regional Development we have vote 10b which is a statutory extension. Under the Department of Finance the last item, L27b, is another extension.

Mr. Knowles (Winnipeg North Centre): This is more an omnibus than the Criminal Code bill is.

Mr. Lambert (Edmonton West): It has to do with the Canada Student Loans Act. Very definitely that act provides for a limitation in respect of the amount of money lent or guaranteed in every province. This item provides for an extension over and above that limitation. Why not come in with an amendment to the act? If you are going to get additional amounts through the estimates or in respect of the administration, why not do it legitimately?

The last four items for C.M.H.C. are inexcusable. This will entail a debate, but having brought it on through the estimates with a guillotine, this is a guillotine imposed upon a housing debate. The situation today cries for a housing debate. As an individual member of parliament I cannot accept this practice and I certainly know that my colleagues on the committee did not accept it. Strangely enough, in respect of the first paragraph of the committee report to which I referred there was no dissenting voice. There were three Liberal members present with the Chairman and I can tell you that at least two put their hands up in full support.

Mr. Knowles (Winnipeg North Centre): They did not get the message.

Mr. Lambert (Edmonton West): In so far as the second paragraph is concerned, there are some items under agriculture such as item 65 of Appropriation Act No. 4, the western feed grain subsidy estimate. In the supplementary estimates this particular item has served as a milk cow for the whole of the Department of Agriculture. In the same way, in the estimates of the Department of Indian Affairs and Northern Development the Atlantic provinces national parks development item has provided well over $2 million for purposes within the Indian Affairs branch. Because of financial stringencies imposed by this government on that particular branch—and they have had some cut-backs—the department has now had to go and raid the national parks construction account. This is a bad situation.

As I pointed out to the President of Treasury Board, there may be a tendency in the future for various departments to set up accounts such as these where expenses may be justified in order to get them through the Treasury Board and the House, but with the intent that they shall be a prolific source of funds for other purposes within the ministry which have no real relationship to the original purpose. It is a long way from national parks in the Atlantic provinces to welfare and other services for Indian and native populations.

I am not objecting to the new and ultimate purpose of the expenditure. Undoubtedly it is well intended, but these should have been handled in the proper way from the beginning. It may be said that in respect of every $1 item the department has to come before the Treasury Board but—

The Acting Speaker (Mr. Béchard): Order, please.

Mr. Lambert (Edmonton West): I can be finished in 30 seconds.

Some hon. Members: Continue.

Mr. Lambert (Edmonton West): It may be said that they have to come before the Treasury Board with their new expenditures and justify them, that whenever there is a $1 item it is posted in the supplementary estimates and has to be justified. The tendency is to say that parliament has voted the money so why not go ahead with these expenditures? It will be suggested that under the old practice, if there was going to be a short-fall in expenditures in respect of an item, there was a tendency to say the money is there and it had better be spent or it will lapse. However, departments are going to ask for supplementary estimates and the practice will be the same. There will be no improvement and in some ways I think there will be a tendency to say that the money is there anyway and they should spend it.

Mr. Knowles (Winnipeg North Centre): That is how your wife gets a fur coat without it costing you anything.

Mr. Lambert (Edmonton West): With those remarks I intend to limit myself to the time allotted, but I must say I do not like these $1 items. They represent a bad practice that has been extended and which must now be curtailed.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think there are a few points which have been made to which I should like to reply. First, let me refer again to the remarks of the committee:

> Your committee expresses its concern at the extensive use of $1.00 items for the purpose of statutory amendments particularly in final supplementary estimates—

The report also states:

> Your committee also noted with concern an even greater use of $1.00 items for the transfer of moneys from one account to another.

The hon. member for Edmonton West (Mr. Lambert) drew attention to the fact that even Liberal members of the committee supported this expression of concern. I go along with those members and I share their concern. I think parliament should be concerned about the unwarranted extension of so-called legislation by $1 items. However, in the present circumstances I suggest that worry is unwarranted.

• (4:10 p.m.)

The hon. member for Edmonton West, and I think also the hon. member for Winnipeg North Centre (Mr. Knowles), expressed some worry that the government was endeavouring to strip parliament of its control over public funds. Here they were trying to look into the supposed motives of the ministry without producing much evidence, I must say. I would remind them in respect of parliamentary control that for the past year we have endeavoured to present and to explain to parliament a new method of preparing and presenting the estimates so as to make parliamentary control over funding easier to achieve than has been the case in the past. In any event, as members of the public accounts committee are aware, the new method of presenting estimates will provide members with a sounder basis of knowledge regarding programs and purposes for expenditure than does our current scheme of presenting estimates.

Mr. Knowles (Winnipeg North Centre): More knowledge but not control.

Mr. Drury: The purpose is to provide more knowledge, and I submit that knowledge in the parliamentary forum is power and ignorance is weakness. There is no scheme of procedures that will assure that ignorance will be in control. Indeed, I do not think we want such a dispensation.

[Mr. Knowles (Winnipeg North Centre).]

An hon. Member: The government is in control.

Mr. Drury: I agree it is, and if the government has control it is because of knowledge. If the opposition lacks control and authority, it is because of ignorance.

Mr. Knowles (Winnipeg North Centre): Smile, Bud.

Mr. Drury: I think members of the opposition cannot help but agree with this. What we are trying to do is to make it easier for members on both sides of the house to have more knowledge and consequently to exercise real powers in making proper and, I hope, enlightened decisions. This is exactly the reverse of what the hon. gentlemen to whom I have alluded have suggested is our approach to these supplementary estimates.

As I explained in the committee, these $1 items fall under two heads: One authorizes transfers of funds which, as the hon. member for Winnipeg North Centre pointed out, under the Financial Administration Act cannot be transferred without the authority of parliament, and it is this authority we are seeking. Why are transfers being made? The hon. member for Peace River (Mr. Baldwin) exhorted the government to restraint and charged it with lack of restraint and with spendthrift qualities. The purpose of these items is to be able to say to departments: If you wish to do things which appear to have a higher priority now than they had at some earlier date, then you must be able to select things which are less important and which are going more slowly. This accounts for the necessity of departments finding, where additional money is needed for an item emerging with a higher priority, a source which has a lower priority, and this means a transfer of funds.

These particular changes of priority are indicated in all these $1 items for the benefit of the house and the members of the committee. I suggest that this is a step in providing to members the kind of information they need to make intelligent judgments. The alternative to this would be merely to seek the additional amounts needed for the newly emerging priorities, and I think all hon. members will agree that even during the short space of

one year priorities in a number of areas change. Things are changing very rapidly and we must be able to accommodate ourselves to change. The alternative would have been to seek supplementary estimates for the amount of the additional items and, to say nothing of those where slow-downs were being imposed, to find compensatory funds. I suggest that this would have been less informative to the house and to the public.

The $1 items authorizing such changes are in fact a demonstration of a real policy of restraint in relation to government expenditures rather than the reverse. Further, I suggest they provide more information to members, which should be the source of greater knowledge and consequently greater authority.

In respect of the $1 items which do not represent a transfer of funds from one account to another, I think the house would probably have to look at the individual items, as the committee did, to reach a conclusion whether these items represented substantial and meaningful legislation or some relatively minor change in the statute referred to.

The hon. member for Edmonton West made reference to Vote 12b of the Department of Labour as being a means for amending legislation relating to employees' compensation. The present legislation contemplates a certain framework of conditions under which compensation would be paid by the government in respect of its employees for disabilities incurred as a consequence of such employment. It is quite a comprehensive and long act which is accompanied by a schedule indicating those classes of employees to whom this legislation applies. In this particular case we do not want to change the philosophy nor do we want to change the legislation substantially. However, we do want to include under its provisions a group of men who appear, as a consequence of a recent corporate transaction, to have been left out in the cold.

As the hon. member for Edmonton West suggested, this is the kind of thing the government should do. We have done it, and the only question to be asked then is: How do we get this legislation amended to take care of this special circumstance? One way is to introduce a one or two-line bill amending the Government Employees Compensation Act and put it through all the deliberate and deliberative procedure of first and second reading, reference to committee, and report and third reading, or to provide the same kind of consideration in the house and in committee followed again by consideration in the full house under a supplementary appropriation act. As this is more a question of money than of the underlying philosophy of the act that is being changed, this would appear to be the more appropriate mechanism. Again, where various acts impose fiscal or chronological limitations, where a change is designed for specific purposes but without changing the underlying purpose and philosophy of the act, this seems a more convenient way of doing it and a more effective one having in mind the time of the members of the house.

• (4:20 p.m.)

As the hon. member for Edmonton West pointed out, there are already tremendous pressures on members' time. There is a tremendous amount to be done and most of us feel we cannot find the time in which to do it. If a method can be found which consumes less time while still providing adequate opportunity for consideration by those who are interested, then I favour it. I suggest it is in this spirit that $1 items, having the effect of legislating rather than merely transferring funds from one account to another, appear in these estimates. The purpose is not to deprive parliament of its control over the executive. The purpose, rather, is to allow parliament more time to deal with the larger issues. In other words, the time of parliament is not consumed in dealing with a series of relatively minor measures which nevertheless engage the whole majestic apparatus of this institution.

I do not believe there is much more I can add. The hon. member for Edmonton West referred to a news story quoting me as saying parliament was losing control over government spending. If there was such a story—and I do not doubt the hon. gentleman's word—I say it did not come from me. I myself think our new system of preparing and presenting estimates will increase, not decrease, the effectiveness of parliamentary control over spending.

Our present system is not good and it should be revised. With this, I agree. I believe parliament should have more effective control, not more control in detail but more effective control, over spending, and in my opinion the system to which we are moving will accomplish this. But I do not agree with the hon. member for Edmonton West that providing more roadblocks, more delays, more obstruction, without increasing our knowledge, will have the effect of improving parliamentary control. I suppose the ability to

sandbag, the ability to delay, is a demonstration of control to some extent because, after all, stopping things amounts to controlling them. But this is control in the negative sense whereas what we are looking for is effective, positive control.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the President of the Treasury Board (Mr. Drury) and the Treasury Board generally continue to amaze me. I should like to take a few minutes of the time of the house in order to discuss some of the things which have been on my mind and some of the things to which the hon. gentleman has just referred. I shall not try to make anything of the proud boast he made about the government having everything under control, because it is not even necessary to refute that kind of statement at the present time.

Mr. Knowles (Winnipeg North Centre): He knows better himself.

Mr. Stanfield: The President of the Treasury Board is talking to us about the desirability of increasing the information available to the house but really he is not paying the slightest attention to the criticism suggesting there is something wrong with the present procedure. I have been on my feet recently complaining about the inadequate support which the government is providing for the Auditor General who is an officer of this parliament very well able to ensure that the house does get information not only about expenditure—after the fact, admittedly—but also about appropriate procedures. I have put forward the case for important changes in the relationship between the Treasury Board and the house, but I cannot get the hon. gentleman to pay the slightest attention to this point, one which I think and will continue to think is of the greatest importance until someone on the government side at least takes the trouble to persuade me I am wrong.

I am not really surprised that a member of the government should not pay much attention to me, but I am surprised to find the President of the Treasury Board sweeping aside the opinion of a committee of this house with regard to the appearance of these dollar estimates. He sympathizes with the concern of the committee as though it were, so to speak, an abstract proposition, and then, without any real explanation, he goes on to say that in this case its concern is not justified. If we put the two sentences together and try to make sense of them, we find it amounts to this: in the opinion of the President of the Treasury Board the committee did not know what it was talking about. So it is not only a question of the relation between the Treasury Board and the Auditor General; the government is really not paying any attention to representations made by a committee of the house with regard to this matter.

The minister spoke about giving the house more information. He told us the aim of the government was to provide more information thereby giving the house greater control. Well, I suppose there will not be any more dollar items in the future with regard to transfers of money within departments. They will not be necessary since I understand there are to be so few votes that the government will not need to make any transfers. Hon. gentlemen opposite are arranging things in such a way that in future they will not even have to make reports involving dollar items. I think this is the case. Yet the President of the Treasury Board—and I do not like to be too critical of so honourable a gentleman—comes before us and pretends that the aim of the government is to provide the house with more information. In fact, though, it is clear that the government intends to place itself in a position where it will not be necessary to present any dollar items. Certainly, with a smaller number of votes the minister will not be obliged to report to the house that there has been some change in priorities here or there, that some money has been saved, and that it will be moved over and used for something else. He will be spared the embarrassment of coming before the house, if there be any embarrassment, with regard to these dollar items.

As to these new procedures, I believe the Auditor General has criticized the government for reducing the number of votes, not necessarily for the reason I have given but because the ultimate result will be to reduce the control exercised by the house over the expenditures of the government. It may be that initially the estimates will be presented in a manner which will give a more intelligible picture of what is going on. But if the President of the Treasury Board is suggesting that this change will give the house more control over the expenditures of the government, I dispute that contention. The debate this afternoon indicates this clearly. In future we shall not have even the kind of information which is given to us in these supplementary estimates. There will be no estimates involving changes of this sort because the government is taking the precaution to arrange things to ensure we shall not have

supplementary estimates in the ordinary way. If I am wrong, I hope someone on the other side will correct me.

• (4:30 p.m.)

With regard to the use of this technique to bring about legislative changes, I think it is highly dangerous to make use of such an informal method. If this parliament is going to authorize a new procedure that permits legislative changes in this informal manner, then this procedure should at the very least be carefully defined. Who is to draw the line between the kind of legislation that is considered sufficiently minimal in importance to be proceeded with in this way and, on the other hand, the kind of legislation that is sufficiently important to be dealt with in the way we normally expect legislation to proceed through the house? I have no wish to exaggerate and if I am wrong I hope I will be corrected, but I regard this as a very sweeping change in the rules of the house without any proper consideration or authorization being given to it.

I think we have to regard this matter as a serious one. I do not accept for a moment that the changes that are being made by parliament are going to give this house more control over the expenditures of the government. I think they will give the house less control. I can only assume that this is a deliberate move in this respect on the part of the government.

I have also said that the government is making changes in the rules of the house relating to the passage of its legislation without such changes receiving the proper consideration of parliament. The government has just taken it upon itself to make these changes without prior discussion. I do not think this is a proper way to proceed. I will regard with a little more sincerity the protestations that have been made on the government side of the house that members opposite are anxious to facilitate the giving of information to the house and to safeguard the control of the house when I see that the Auditor General really is independent of Treasury Board and can go ahead and get his own staff, with some more adequate way of enabling parliament to pass judgment upon the matter, instead of having him hemmed in by the Treasury Board without our knowledge.

There are ways, important ways, to obtain increased control by this house, and the Auditor General is one of these ways. Far from increasing the control of the house, the proposed changes we are now contending with will have the result of reducing the number of the estimates, and the general behaviour of the government will obviously lessen the ultimate control of the house of the expenditures of this government.

Mr. Baldwin: Mr. Speaker, I rise not to participate again in the debate; whether or not I would be entitled to do so, since this is a substantive motion, is beside the point because I am rising on a point of order. I wish to lay before Your Honour and the House the question of the procedure that might now be considered in order to bring this matter to a conclusion. I do so with more readiness since we have agreed that when the consideration of the supplementary estimates reaches the stage of the appropriation bill we will deal first with the housing items that appear in the supplementary estimates.

In response to a question of mine on Thursday or Friday the Minister of Transport (Mr. Hellyer) indicated that he wanted to be in the house to deal with this question. He is not here, though I make no point about that. However, the issue I am now raising may well want to be considered by your Honour after hearing members' views, and I suggest that after the question has been debated Your Honour might wish to devote some time to it and we might consider an adjournment.

The question I ask is whether or not a vote is permissible—and I am not indicating that our party is going to move for a vote on this particular motion. We are now treading in the uncharted waters of the new rules. This is the first time we have dealt with supplementary estimates since introducing the rules changes. It is quite certain that this motion is not a non-confidence motion. There is no question about our urging that it be considered a non-confidence motion. My original thought was that a vote might not be possible, that is to say, a vote where the house divides.

Reference to Standing Order 58 (3), (7) and (11) raises some doubt on this score. Certainly the three days are not part of the 25 days that are allotted to and divided among the three so-called semesters. In these cases you either have an allotted day on which you can move a non-confidence motion, limited to two in each semester, or you can move a motion that is not a non-confidence motion but is simply used as a peg upon which the relevancy of the debate will be considered.

The three days are in a somewhat different category. I am raising this point for consideration since the Standing Committee on Organization and Procedure is meeting from time to time. By its terms of reference the committee was directed to pay attention to the manner in which these rule changes would be considered. It is obvious that a vote would be permissible, even though it were not a non-confidence motion, if the committee were moving to delete an item in the estimates. Since this is the first time this question has arisen. I raise this matter for consideration so that we may have a ruling on it and know how to proceed in the future.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Peace River has brought out into the open, if I may put it in that way, the fact that there have been some discussions on whether or not a vote of the house on this motion is one that it is proper for the house to take. I should like to argue that it is proper and that if five members of the house wish to have a vote on this motion they are entitled to have one. I may say that in my party we are unanimously of this point of view.

Mr. Mackasey: You are not right now.

Mr. Bell: Your attendance is as bad as the government's.

Mr. Knowles (Winnipeg North Centre): But I am here and we speak with one voice. The house has before it a motion moved by the hon. member for Peace River. I submit that in the absence of a standing order providing that there shall not be a vote on this kind of motion, it is proper for the house to have a vote.

Those who argue that this debate simply expires either at the end of the day or when no further members wish to take part in it will, I submit, find it difficult to cite a standing order that supports that argument. Standing Order 58 (3) provides for opposition motions on allotted days. As you go through Standing Order 58 there are various provisions as to what happens to opposition motions on allotted days.

It is my thesis that this is not what is now before the house. The house is not considering an opposition motion on an allotted day. I draw your attention, Mr. Speaker, to paragraph 5 of Standing Order 58 which provides for a certain number of allotted days in each of the three semesters of the session. That Standing Order ends with this sentence:

> These twenty-five days are to be designated as allotted days.

I urge on Your Honour the fact that there is no language anywhere else in these Standing Orders that says any other days are allotted days. It is clear that the five allotted days in the first semester, the seven in the second and the thirteen in the third make up the total of our 25 allotted days.

• (4:40 p.m.)

In paragraph 7 there is provision with respect to final supplementary estimates, which we are now dealing with. Incidentally, paragraph 7 speaks of those supplementaries as being introduced in the period between March 31 and June 30, but we passed a special order on February 24 that transferred the three days to that period prior to March 31. I therefore submit that the rules regarding the three days in the final period apply to the three days on which we are now launched.

The second half of Standing Order 58(7) reads as follows:

> —three days for the consideration of the motion that the House concur in those estimates and for the passage at all stages of any bill to be based thereon shall be added to the days for the business of supply in that period.

It does not say those three days are to be added to the allotted days; they are to be added to the days with respect to business of supply. In other words, those three days are a different kettle of fish. They are outside the 25 allotted days.

Paragraph 11 of the Standing Order says:

> Proceedings on allotted days on opposition motions which are not "no-confidence" motions shall expire when debate thereon has been concluded or at the ordinary time of daily adjournment, as the case may be.

I contend, Mr. Speaker, that paragraph 11 cannot be made to apply to these three days because it clearly applies to what happens on allotted days. By definition, therefore, these three days are not allotted days but extra days added to the business of supply for the purpose of dealing with supplementary estimates. I suggest, therefore, that we have the right to have this motion treated as an ordinary motion which is subject to a vote. That is the general rule with respect to all motions moved in parliament. They are subject to a vote if the house wishes to take that vote. There are a few exceptions where we have provided otherwise. We have provided otherwise in Standing Order 26, under which a

motion expires at the end of the day, and we have also provided otherwise with respect to non-confidence motions on allotted days. But we have made no such provision with respect to these three special days for supplementary estimates which have been added to the business of supply.

Therefore, now that debate seems to have ended, I submit that Your Honour ought to put to the house the question whether it wishes to concur. There may be no vote. After all, members of all parties were on the committee of the house that examined this matter, and agreement on many items was unanimous. It may be that we shall not come to a recorded vote, but I submit we have the right to test the will of the house.

It is also clear, I submit, that with respect to these three special days that have been added to the business of supply there is provision for us to vote against some of the estimates if we wish to do so. There is even provision for us to vote on the first or second reading of the supply bill to be based on these estimates and on the separate clauses. If there is the right to deal with the business of supply in that manner during these three days, I submit we have also the right to vote on the motion the hon. member for Peace River has moved. I support the principle that we take such a vote at this time.

Mr. Lambert (Edmonton West): Mr. Speaker, may I make a brief comment on the point that has just been raised. Your Honour will recall that last week, when we were considering the possible procedure for these days, I made representations to you indirectly that these were not allotted days and that under no circumstances could they be considered as such.

The motion that has been posted is that this house do concur in the supplementary estimates. The argument has been made that we should handle these three days as if they were allotted days. It is true that these are days on which estimates are being considered but, having heard the argument of the hon. member for Winnipeg North Centre, I agree that they are not within the 25 allotted days. It is clearly spelled out in the rules that there are only 25 allotted days. Of course, one must determine what is meant by "allotted days". In my view, however, none of the procedures that apply with respect to allotted days applied here. We do not have the 24-hours notice for opposing or, shall we say, restoring or amending any item in the estimates. That is not required under the present procedure.

We have here a procedure arising from the fact that the house made an order that these estimates were to be considered in committee for three days and in the house for three days. We shall consider an appropriation bill and it will go to committee where it will be dealt with on the basis applying to any other bill. There is a special procedure under which we set aside three days for final supplementary estimates. I put it to Your Honour that if a transcript of our discussions in the procedure committee were available you would see that it was contemplated there would be a special procedure for final, supplementary estimates. What is now developing is in accordance with that thought.

Therefore I put it to Your Honour that we can take a vote. A vote should be taken on the motion moved by my colleague, the hon. member for Peace River, after which we could proceed with the motion of the President of the Treasury Board. As I indicated previously, a difficulty would have faced the Chair and the house if the motion of the President of the Treasury Board had been put at the beginning of this afternoon's proceedings, because there is no way of disposing of a motion before the house except by voting on it. The house cannot entertain two motions at the same time.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I did not attend the meetings of the committee to which this matter was referred. However, having listened this afternoon to those who spoke before me, I understand that this is a substantial point which should be considered, so as to study seriously all the matters dealt with.

As a result, there is talk of putting this motion to a vote, and from the views expressed so far, I understand that if there is a vote, the minister's proposal will be left out. So, I believe that we should get back to the matters dealt with earlier and we should ask ourselves once again if the house has not sufficiently recognized the fact that items are transferred in the estimates without its having anything to say or its exercizing any control.

In my opinion, this a matter of principle and we should examine the problem very carefully. That is why I endorse fully everything that was said by the hon. members for Peace River and Winnipeg North Centre. I think we should devote still more time to a debate on a major principle that has already set a precedent but which is being amplified

to such an extent that the privileges and the prerogatives of this house are in danger.

• (4:50 p.m.)

[*English*]

Mr. Macdonald (Rosedale): I wonder, Mr. Speaker, whether I could make a brief reference to the arguments that have been made. I would rather indicate a viewpoint on the other side of the matter. Not only is there no authority in Standing Order 58, as produced by the special committee on Procedure earlier this session, for a vote in this type of motion, but when one looks at Standing Order 58(4) one sees there is no authority for a notice of motion of the kind put forward by the hon. member for Peace River or the hon. member for Winnipeg North Centre.

I draw Your Honour's attention to the most relevant portion of Standing Order 58 (4)(a). It reads:

Twenty-four hours' written notice shall be given of an opposition motion on an allotted day—

This is not the case here, in the view of hon. members opposite.

—or of a notice to oppose any item in the estimates.

For this purpose I take it the reference is also under Standing Order 58.

Mr. Baldwin: You take it wrong.

Mr. Macdonald (Rosedale): The hon. member for Peace River adds nothing to the discussion. The motions moved by the hon. member for Peace River and the hon. member for Winnipeg North Centre do not relate to any specific item in the estimates but rather offer a general comment. This is the first opportunity I have had to discuss and debate the matter and I would like to indicate my own viewpoint. In my view these motions are not receivable and for that reason we should not support these two motions if they come to a vote.

Standing Order 58 generally is a rather elaborate Standing Order, as you know, Mr. Speaker. Elaborate provision has been made for votes under certain circumstances and for not having votes under other circumstances. Since we did not provide in the committee for a vote, since we did not provide for this kind of motion in the first place, and since we did not stipulate a vote under the special order, we should stick within the strict rules of the Standing Order and not have a vote at this point.

[Mr. Matte.]

Mr. Aiken: I would like to make two comments, Mr. Speaker, on the motion being considered. A most ridiculous situation could arise if a motion were placed before the House of Commons, particularly of the type with which we are dealing which concurs with views expressed by a committee, without having the opinion of the house expressed in some manner. It might be possible that when the time allotted expired no vote would be taken but on the other hand, a vote might be required. In this instance the house is being tested on a substantive motion. I feel it would be contrary to all the precedents of parliamentary practice if a motion put on the order paper were moved, debated during the course of a day and then not put to the house and decided in some manner.

The second point I wish to make is that the President of the Privy Council has raised the point that this motion should not have been made, that there is no provision for a motion of this type in the rules and therefore it is out of order and should not even be considered, much less voted on. If that is the case, Mr. Speaker, I suggest that objection should have been made at the time the motion was moved and debate commenced. That time having passed, the motion should now be put to the house and considered. It would be contrary to all the rules of parliament merely to let it drop in the middle of a proceeding.

Mr. Speaker: I have listened very carefully to the arguments put forward by hon. members in connection with the interpretation of Standing Order 58 and the interpretation of the special order under which we are operating at the present time. I must say I agree with the general proposition advanced. What we have before us is a motion and that is the normal way for the house to consider its business. I believe also that this point of view has been advanced by the hon. member for Winnipeg North Centre (Mr. Knowles). The House of Common must consider its business by way of a motion being put, discussion on a motion and the eventual disposition of such a motion ordinarily is by a vote. It is only where circumstances are such that a Standing Order specifically states, for example in the case of Standing Order 26, that there should be no vote, that the house will not proceed to a disposition of the matter by way of a count or by a division.

Perhaps it would be easier to make a ruling in this case along the lines suggested by the hon. member for Peace River (Mr. Baldwin)

or by those who have spoken in support of his interpretation of the rule. But if from the start we had not placed ourselves in the position of operating in accordance with the Standing Order which some say could apply, and if these days are not allotted days, we would not be proceeding according to the terms which guide discussion on allotted days, I have trouble in deciding how the hon. member for Peace River and the hon. member for Winnipeg North Centre could file such notices because according to my interpretation of Standing Order 58, this is the Standing Order under which members of the opposition may file such notices.

The suggestion made by the hon. member for Winnipeg North Centre is that although the Standing Order and the special order refer to allotted days, this is not an allotted day.

I have given the matter serious and careful thought during the last few days because it was discussed outside the house with the members who are considered experts and who I suggest are experts in the matter of interpretation of the rules and with hon. members who were on the committee which adopted this rule and recommended it to the house. I am still as uncertain as I was in the first instance as to how this Standing Order should be interpreted. But if hon. members think there is some virtue or merit to my suggestion, I would make the proposition that because until this afternoon we have adhered to the provisions of the Standing Order and have received the 24 hours' notice, it would be difficult all of a sudden to determine that we are no longer applying the Standing Order, and that we are not dealing with allotted days and therefore we should take a vote on the motion.

The way some hon. member have spoken, there does not seem to be any clear indication that there would in any event be a vote on the matter if my interpretation of the sense of the house is correct.

• (5:00 p.m.)

Perhaps it would be wise for the Chair to have additional time to reflect on this situation and to study in *Hansard* the learned arguments advanced by hon. members and perhaps then be prepared, when we are faced again with a similar situation and required to give a ruling as to whether, when we are considering so-called allotted days, or designated days dealing with the consideration of supplementary estimates, or where special provisions of standing order 58 should apply.

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My view is that we have gone too far at the moment to turn back the clock as the hon. member for Edmonton West (Mr. Lambert) has suggested all along: but in my opinion proceeded on the basis of a 24 hour notice because these are special days, not allotted days of the normal type.

I also suggest for the guidance of hon. members that we are dealing with a special order, and I wonder if hon. members would want to establish a procedure, once and for all, at this point, when we are not dealing with our standing orders but with a special order of the house. This is a complicating factor, and in view of this additional consideration, and because of the fact that we do not have before us at the present time, a normal situation, where a motion would have been made in an ordinary way under the provisions of the standing order for the consideration of supplementary estimates during three allotted days, it is my view that it would not be wise to make a decision which would bind the house on every occasion in the future when it is asked to study a motion under that part of the standing order.

I have tried to suggest that it would be better to proceed at this point as though we were under allotted days which, according to my interpretation of the standing order, is that, when this discussion is terminated, and no other notice having been given, we should go on and put the motion to the house, that is, the motion that will be proposed by the President of the Treasury Board (Mr. Drury) for concurrence in the supplementary estimates.

As a final word, it will be obvious that my decision is a non-decision.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Old Age Security—Payment of income tax on guaranteed income supplement; the hon. member for York South (Mr. Lewis)—Immigration—Timing of distinction between deserters and draft dodgers; the hon. member for Dartmouth-Halifax (Mr. Forrestall)—National Defence—C.F.B. Halifax—pay adjustments for personnel.

Business of Supply

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

CONSIDERATION OF SUPPLEMENTARY ESTIMATES (B) 1968-69

Hon. Paul Hellyer (for the President of the Treasury Board) moved:

That supplementary estimate 12(b) Revised, relating to the Department of Labour, for the fiscal year ending March 31, 1969, presented to the house, Friday, February 28, 1969, be concurred in.

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

Some hon. Members: On division.

Motion agreed to.

Hon. Paul Hellyer (for the President of the Treasury Board) moved:

That Supplementary Estimates (B) for the fiscal year ending March 31, 1969, presented to the house Monday, February 24, 1969, less item 12(b) relating to the Department of Labour, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

Hon. Paoul Hellyer (for the President of the Treasury Board) moved:

That Bill C-177, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1969, be now read the first time and printed.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Knowles (Winnipeg North Centre): By leave.

Mr. Speaker: By special order made February 24, 1969, now.

Hon. Paul Hellyer (for the President of the Treasury Board) moved:

That Bill C-177, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1969, be read the second time and referred to a committee of the whole.

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

[Mr. Speaker.]

Some hon. Members: Agreed.

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

The Deputy Chairman: In accordance with section 1 of Standing Order 75 the preamble and clause 1 of this bill must stand. Clause 2. Shall clause 2 carry?

On clause 2—*$222,254,283 granted for 1968-69.*

Mr. Baldwin: Mr. Chairman, by virtue of an understanding which was reached this afternoon it was agreed that we should turn our attention in committee to the schedule and that a certain order would be accepted in dealing with it. It may well be that the house will want to get through the clauses of the bill but hopefully, as the minister is here to defend what some of us think is indefensible and as other hon. members are concerned with this matter, the committee might agree to direct its attention to the schedule and those items which come under the responsibility of the Minister of Transport in his capacity of dealing with housing.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder whether the most defensible course of action would not be to pass the first six clauses of the bill, then proceed with the schedule, and then by special agreement call the item under C.M.H.C. first, notwithstanding that it appears last. If the committee were agreeable perhaps we could pass all the other items in the schedule and call the housing item, or perhaps we could reverse the order of the schedule and deal with the C.M.H.C. item first after passing the first six clauses.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I do not mind the little exercise in which the President of the Privy Council has engaged, but I think it would be more sensible if we allowed clauses 2 to 6 to stand and called the schedule and proceeded as we agreed with the housing items.

Mr. Macdonald (Rosedale): We did not agree to have them stand.

Mr. Knowles (Winnipeg North Centre): I thought we had agreed to go directly to the schedule.

Mr. Macdonald (Rosedale): I thought we had agreed to move them and then go to the schedule and call the housing item first.

Mr. Knowles (Winnipeg North Centre): I am sure discussion on clauses 2 to 6 will be negligible, in fact nil, if first of all we have the discussion on the items in the schedule. May I interrupt myself and remind the minister that we are under a time limit of six o'clock on Wednesday, and if we spend our time on the detailed estimates in the schedule and then revert to the clauses we will not be able to debate them anyway. What we want to get at are the items under housing, immigration, and so on. The sensible thing would be to let all the clauses stand and call the schedule, and call as the first item in the schedule the C.M.H.C. item.

Mr. Baldwin: Mr. Chairman, the position that many hon. members of the committee will take on these clauses may well depend on, for example, the Minister of Transport and other ministers making a substantial and reasonable defence of some of the items in the schedule. For this reason I had thought we could go to the schedule. If these matters are properly covered then, as the hon. member for Winnipeg North Centre has suggested, when the time comes to deal with the substantive clauses of the bill it would be a routine matter provided we are satisfied on the other matters.

• (5:10 p.m.)

The Deputy Chairman: Is it agreed?

Mr. Macdonald (Rosedale): That certainly was not the understanding I had. The understanding was that we would proceed right through the bill to the schedule and then agree to change the order in the schedule.

Mr. Knowles (Winnipeg North Centre): I am not arguing with the minister. I am sorry if there was any misunderstanding. I was engaged in the discussions and my thought was we would move through all the other stages as quickly as possible to get to the schedule but I did not think that meant we would pass all the various clauses without debate. Frankly, what does it matter? Once we get into the schedule we will be on it until six o'clock on Wednesday and then the clauses will be called without debate.

Mr. Macdonald (Rosedale): That seems to be the best argument for calling the clauses now.

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Agreed.

Some hon. Members: No.

The Deputy Chairman: Clause 3.

Mr. Lambert (Edmonton West): Mr. Chairman, by passing clause 2 we in effect pass the schedule because that is the way clause 2 reads. How can we discuss the schedule, which may have many changes to the items depending upon the sense of the house, if we have already passed clause 2? That does not make sense to me.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I submit that you have called clause 2, which is the proper thing for you to do. Clause 2 refers to the schedule. This would now permit us to discuss the items in the schedule, and that is where the housing items are.

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: No.

Mr. McCleave: Mr. Chairman, I understand it is the mood of the committee that we turn first to housing and deal with the four $1 items, this massive injection of new money into the housing problems that confront Canada. This is set forth at page 16 of the measures we are considering. It may be that the Minister of Transport would wish to make an opening statement on this subject. If so, I would defer to him because he obviously said very little before the Standing Committee on Miscellaneous Estimates the other day. Perhaps since then he has had an opportunity to do his homework and is now in a position to report to the house. If the minister wishes to rise now I will gladly bow to him; if not I propose to make a statement and ask questions to which I hope we will receive the answers which we did not receive during the hearings of the Standing Committee on Miscellaneous Estimates the other day.

First of all, an important occasion always demands a preamble so I shall turn to some of the housing pledges that were made by hon. gentlemen opposite as recently as last April, May and June. First, let us take the words of one of the outstanding members opposite in a speech made in Vancouver on May 11 as reported by the Canadian Press. This gentleman said that the national housing situation calls for increased help to C.M.H.C. an aid to low-cost housing projects. What could be more just than increased emphasis on low-cost housing projects because everybody in this chamber is familiar with the fact

that more than half the poverty in Canada is rooted in the metropolitan areas and it is important that the government meet this particular problem. The gentleman said in Vancouver that a Liberal government would give increased aid to low-cost housing projects. His words have perhaps a little more than ordinary weight since he was the architect of the phrase "the just society".

Then we go to another statesman not as distinguished as the first; one might consider him also obsolete since he has gone to the other place. Nevertheless, in a speech at Winnipeg on May 29 this year the government house leader in the other place said that high interest rates on mortgage loans will be reduced if the Liberal government is successful in its drive to reduce expenditures and achieve a balanced budget. This is the Delphic oracle at its best. Most people presumably took from this that expenditures would be reduced, the budget would come in balanced, and therefore high interest rates on mortgage loans would be reduced. As we all know now, exactly the reverse has happened.

Not to leave the present minister responsible for housing out of the preamble I would quote his remarks, again in Vancouver, on June 13 as reported by the Canadian Press:

> The Prime Minister has a policy of not making expensive election promises. This was in order to get a mandate that would give him a free hand in attacking high interest rates, unemployment and the housing shortage.

Mr. Woolliams: Who said that?

Mr. McCleave: That was the present Minister of Transport. The high interest rates have gone higher; the high unemployment has gone higher and the housing shortage has become more acute. These are the programs and policies—perhaps one could really call them prattle—that were given to the Canadian people last year on the important topic of housing.

Now, sir, in respect of the purpose of the four exercises in $1 amounts that we are being asked to give our blessing to, I think what is happening was well put forth in an exchange between the hon. member for Edmonton West and the minister before the Standing Committee on Miscellaneous Estimates at its hearing of last Thursday, February 27. I shall quote from page 241 of the Minutes of Proceedings and Evidence:

> Mr. Lambert (Edmonton West): That is all I have on this except again the general proposition as to why this was done by supplementary estimate.
>
> Mr. Hellyer: In this case, Mr. Lambert, when we anticipated introducing amendments to the act within a few weeks anyway, we needed sufficient statutory authority to get us over the period in between. In that event, it makes sense to do it this way.
>
> Mr. Lambert (Edmonton West): You just told me that you wanted to get through to March 31, 1970.
>
> Mr. Hellyer: There is always the possibility that Parliament might not approve legislation—

Well, that is something; we might not approve the legislation which is so necessary to get the program through.

> —or we may get run over by a truck or something.

That is the royal "we". The quotation continues:

> You never know, so it is wise to have a little ahead.
>
> Mr. Lambert (Edmonton West): This is going to be the cushion, is it? This was coming under a guillotine. Mr. Minister, I am going to repeat, you heard me tell Mr. Drury, that this is a bad practice as far as many of us are concerned. It would be far more open, and I think you will be further ahead in the end, to come forward legitimately with statutory amendments rather than these $1 items.
>
> Mr. Hellyer: We will be glad to note that. Also, as I say, I will be happy if we can introduce amendments to the act and provide larger limits which will obviate the necessity of doing this.

It seems obvious from that exchange and certainly from all the unanswered questions in the committee that this was a measure of expediency, although the minister must have raised many eyebrows in the committee when he suggested the possibility parliament might not approve legislation and therefore this was a very useful way to get it done. I suggest the housing problems of Canada need more than expedient treatment.

The questions I should like to ask the minister arise from the four $1 items to which I have referred. These are the items which increase the amounts that may be advanced for direct lending, and I should like to know how close we are to the present ceilings now. The present ceiling is $4,600, million. The proposed new ceiling would be $5,200 million. My first question to the minister in respect of direct lending under the National Housing Act is, at what point are we now? Perhaps the minister could indicate how quickly he anticipates that the new ceiling will be reached.

• (5:20 p.m.)

My second question is similar and refers to the next item, L117b dealing with student housing. The proposed increase in the ceiling is from $350 million to $475 million under section 36C of the National Housing Act. I

should like to know how close we are to the present ceiling of $350 million and how much student housing is anticipated over the next year.

My third question relates to vote L118b which deals with insurance of loans and the proposal to increase the ceiling for the aggregate amount of loans in respect of which insurance policies may be issued from $9.5 billion to $11 billion. How close are we now to the $9.5 billion and when is it anticipated that we will reach the $11 billion ceiling? I think this is a very important question because we are getting into the field of activity of private lenders.

Finally, under vote L119b, which deals with home improvement loans under section 26 of the National Housing Act, how close are we now to the ceiling of $500 million and when is it anticipated that we will reach the new ceiling of $550 million?

Of all the items we are asked to consider this afternoon I think none will give us more regret than the failure of the government to come to real grips with the problem of providing houses for the lower income groups in Canada. This is a conspicuous failure and it has been conspicuous in the past. The need certainly has not lessened because every day more and more people are being driven into the position of not being able to afford their own housing because inflation makes it less and less probable. Increasing interest rates make this dream less and less likely to be realized.

In spite of this fact one approach to the problem in respect of the poor people of Canada, and this is of particular significance in metropolitan areas where the problem is particularly acute, has been put in abeyance by this government as a result of a recommendation on page 55 of the report of the minister's own task force. It is that the federal government initiate a thorough research program into the economic, social and psychological issues of public housing, and that until such a study is completed and assessed no new large projects should be undertaken.

I do not blame people, certainly those in large public housing projects in Canada, for being angry and upset by what the minister has said or by what his task force has recommended in the paragraphs leading up to that recommendation. I cannot blame them for being angry about what one of the independent studies, on which the task force has partly relied, has said. I think people in public housing, particularly defamed projects, have a legitimate squawk. Those people who might qualify for public housing also have a legitimate complaint.

The fact is, though the task force report does not say this, that one of the reasons public housing has failed or encountered difficulties in Canada is that we have not gone far enough under the National Housing Act. We have not tried through the National Housing Act to create livable environments in many of these public housing projects because we have not provided any of the auxiliary features which make for good living. We have not provided assistance for the development of parks, recreational and community facilities which one would associate with large scale, high density projects. Every apartment of any size that is erected in the city of Ottawa has a swimming pool. This is at least a start on something in which the tenants can take pride, something in addition to mere bed and eating facilities.

When the task force categorizes public housing as it does, criticizes it and puts a stop to large projects without pointing out the reason for some of the difficulties that public housing has encountered, it can only annoy people without adding to an understanding for the poor who are in desperate need of decent accommodation. I regard the action taken by the minister through the four $1 items as partly to overcome difficulties of inflation and partly to place more appropriate ceilings on lending or insuring activities. This is nothing like the action one would expect a responsible minister to take to assist the low income groups.

It may be suggested that through the new approach to mortgages there might be help for these low income groups. Something was made of the fact that longer term mortgages should be allowed. The suggestion is that this would make it easier for people to own their own homes so that in some way the problems of the low income groups would be solved. There are some snares and delusions in this regard. I do not think this is a panacea to cure all ills. Let me refer to one very real snare or delusion. I refer to the suggestion that mortgages up to 35 years be permitted. Perhaps mortgages of an even longer period might be allowed but the interest tables I have are only calculated for up to 35 years. These figures are horrifying.

If one could get a $20,000 mortgage for a period of 35 years at 6 per cent the monthly payment would be $113.06, and the total amount payable over the 35 years would be

$47,485.25. In other words, you will have noted, I am sure, the amount repayable over that 35-year term at 6 per cent would be $20,000 in principal and $27,485.25 in interest.

Let us see what a long-term mortgage would be at the cost of borrowing money today, and I have in mind about 9½ per cent. A mortgage for $20,000 at 9½ per cent over a period of 35 years would cost $161.57 per month or a total over the 35 years of $67,859.40.

• (5:30 p.m.)

In other words, the amount paid, would be the principal, $20,000, and $47,859.40 in interest, or more than twice as much as the principal. Unless these figures are examined we may picture this plan as the smooth and easy way out of the housing shortage in Canada. I suggest that to assume an interest burden at least twice the principal burden is getting into a realm of financing that is almost unconscionable.

We are sorry that the minister has not brought in more proposals at the present time. I think there would be a disposition to give the green light and an accelerated consideration to proposals on housing. I do not think anyone in the official opposition or in any party in the house quarrels with that, but in the light of the interest created by the minister's housing report we are prepared to get our teeth into the changes to the National Housing Act very quickly.

Certainly, the real problems will multiply and will be aggravated the longer we put off consideration of these changes. These are the problems of the low income groups. The other problems are not as acute, but the poor or those with lower incomes are people to whom inflation makes home owning that much less of a possibility. This is what we should set ourselves to do at once.

I think the one dollar items are of uncertain practical significance and I do not suppose anyone will know, unless the minister can spell out for us, how much it is proposed to advance for direct lending in the next 12 months; how much it is proposed to use for student housing in that period; what kind of picture the private lenders have indicated; and what kind of forecast the Central Mortgage and Housing Corporation is making in home improvement for the next 12 months. One dollar for each of these fields does not tell us anything, and yet I think our purpose is to see whether the housing program of the government is adequate. I hope the minister will take the opportunity to tell us exactly what he proposes to do.

[Mr. McCleave.]

Mr. Brewin: Mr. Chairman, we are very glad to have this opportunity to discuss the most urgent problem facing most Canadians, namely the question of housing. If there is one thing on which we can all agree it is that the skyrocketing mortgage interest rates and the uncontrolled escalation of rents are imposing very real hardships on innumerable Canadians. The task force itself said:

> Housing and urban development are an urgent priority for the people of Canada and must be treated as such by their elected representatives at all levels.

The major element in the rising cost of living is housing and it is imposing an unbearable burden on Canadians with small and fixed incomes. The Dominion Bureau of Statistics bulletin on price movements this year shows that 32 out of 100 points in the consumer price index are devoted to housing, and the increase from January of 1968 to January of 1969 in the cost of housing was 5 per cent. This is, therefore, by far the largest single item in the over-all increase in the cost of living.

It should be remembered that this increase does not apply evenly to the population as a whole. Its highest incidence is not on home owners with fixed interest rates on their mortgages; it is upon the poorest sections of the community that this burden falls. It is on the recently married couples seeking to find homes of their own; it is on the wage earners with large families who have to rent because they cannot afford to buy; it is on the old age pensioners on small fixed incomes who suddenly find their rent increased astronomically. It would be wrong to assume that the lower income groups are the only ones affected by the urgent housing crisis. The task force report itself says that the average wage earner who earns $5,000 to $7,000 a year has no hope of owning a home, that it is a dream and nothing but a dream. He has to scramble around in the uncontrolled rental market for inadequate accommodation.

There is indeed an urgent housing crisis. But this government seems to be taking its time, to put it mildly. The Minister of Transport tabled the report of the task force on housing and urban development in this house on January 29. It is now five weeks since that date. On January 29 he told the house that he intended very shortly, and these were his words, to place before the government recommendations on some of the matters arising

out of the report on which, as he said, he believed urgent action was required. So this government apparently thinks the matter of housing is so urgent that when its own minister in charge says he has urgent recommendations we have to wait for more than five weeks to have any sort of report at all on the attitude of the government to any of the recommendations, including the recommendations described by the minister himself as urgent. As I said, it is nearly five weeks later and no statement is forthcoming from the Prime Minister, nor have we heard a statement so far from the Minister of Transport himself.

We are left in complete darkness as to which of the various recommendations the minister considers require urgent action. We are left in ignorance as to the reaction of his colleagues. We can guess the reaction of the Minister of Finance to some of the recommendations, but we have no information as to what action if any the government proposes to take to meet the crisis or to implement the recommendations of this highly-touted report that the minister and his task force produced.

In the absence of any information from the government on this admittedly urgent crisis, the opposition can only comment on the report itself. I suggest that seldom has a commission, a task force or any other fact finding body under any other name or description had such a fanfare, such a beating of drums and such a crashing of cymbals as accompanied this task force report. It is my view that the report contains one or two useful recommendations, for example the recommendation for the creation of a department of housing and urban affairs.

It hardly needed however, an expensive task force to travel across the country to see the need for such a department and for a minister to devote his full time to this urgent subject. Indeed, this proposal has frequently been made in the house. It was made by my former colleague, the then hon. member for Danforth, Mr. Reid Scott, and it was often repeated in the house by my colleague, the hon. member for Broadview. It is a good recommendation and we would like to know what the government proposes to do about it. We also heartily approve the recommendation for a capital gains tax on profits derived through land transactions. It is long overdue. Indeed, it was recommended, as members of this house know, by the Carter Commission as part of a general tax on capital gains. We are all in favour of this and say it should have been adopted years ago to cut off exhorbitant speculative profits made by certain people. The task force urges the removal of the 11 per cent sales tax on building materials. This has been advocated by opposition parties on innumerable occasions as well as by hundreds of organizations and individuals outside the house.

• (5:40 p.m.)

I should like to know how likely the government is to implement this recommendation now that the Minister of Transport supports it. Can we expect anything different? I imagine it is anybody's guess whether the government is likely to do anything about it. I have observed the stern, upright rectitude of the Minister of Finance in opposing any suggestion of this sort and I suspect the plea of the Minister of Transport will fall on deaf ears. Will the worth-while recommendations of the task force remain a dead letter and gather dust like the useful recommendations of so many task forces and commissions in the past?

As to the report as a whole, despite the fullsome publicity surrounding it, the document, in my judgment, is a colossal flop. I am being more polite than the hon. member for Broadview who described it as a colossal fraud. While I do not dissociate myself from him, I would substitute the words "colossal flop" for "colossal fraud", perhaps because of my habit of understatement.

Mr. Benjamin: It is the minister who is a colossal flop.

Mr. Brewin: Why do I say it is colossal flop? I cannot do better than use the words of Dr. Albert Rose of the University of Toronto, a well known expert in the housing field, as they appeared in the *Globe and Mail* of February 4. The minister shakes his head, probably in disapprobation. I am sure he has read what Dr. Rose has said, but I should like him to do so again. He wrote this:

> These recommendations will do little or nothing to meet the housing needs of the two-thirds of Canadian families whose annual incomes are below $7,500.

If it is acknowledged that the major need in housing is felt by those earning less than $7,500. If these recommendations will do nothing to help such people, to call the report a colossal fraud or flop is to use very moderate language. In other words, once again it is proposed to take government action in the field of housing to help those in the top

income brackets, and ignore those who are in desperate need. This has come so customary a feature of government legislation in this field that one is entitled to believe it is orthodox Liberal theory—help those who have no need for help and ignore those in desperate need.

The report proposes to facilitate home ownership and it does so by suggesting, among other things, an increase in the maximum amount of an N.H.A. mortgage from $18,000 to $30,000. It proposes to allow mortgage payments to be amortized over 40 years instead of 35 years and it proposes to reduce down payments to virtually nothing. In short, it is a program for bigger and better debts for those who will be allowed by the financial institutions to contract such debts. As Dr. Rose says:

> In our past experience an increase in the maximum NHA loan did not restrain the relentless march of house prices; nor is it likely that the proposed extension of the limit to $30,000 will mean anything more than the probability that typical new house prices will reach $38,000 to $40,000 within two or three years.

I say this is fine for the house builders, fine for the select few. But it is stones rather than bread for the average Canadian. As Dr. Rose says, there is little likelihood that Canadian families with less than $10,000 a year can possibly undertake a mortgage of $30,000 in addition to paying higher taxes and meeting the expense of heating and other overheads.

The minister appears to lay great stress on the value of exhortation. He exhorts just about everybody. He exhorts the financial institutions, the insurance companies, the banks, the lawyers, provincial and municipal governments. They are all exhorted to behave in ways entirely different from those they normally follow. Institutions in the private sector are urged to generate new housing capital in the order of $20 billion. We read that private lenders should be able to meet the bulk of the mortgage demand, that the federal government should encourage much more research and co-ordinate efforts among private lenders to an extent far greater than hitherto. What reason have we to believe this will happen? Is there any basis for this optimism, this reliance on the private sector which runs counter to all experience? To think along these lines is to refuse to accept the lessons of experience.

Some hon. Members: Hear, hear.

Mr. Brewin: No government initiative is suggested in the form of taxation to help in carrying out the accumulation of the $20 billion required to meet the urgent housing shortage. The proposal to reduce interest rates by means of a federal subsidy of 2 per cent or more is ignored and has presumably been rejected. Nothing is suggested in the report about bringing down the rate of interest. We do find a proposal to throw the rate of interest open, but from the way the market has been behaving lately we may anticipate higher rather than lower rates of interest. The most unrealistic expectation is that bar associations and real estate boards will promote the reduction of the fees of their members. This is naïve but it is typical of the minister and of the report. It is rather like asking a shark to submit to an exodontist.

Mr. Hellyer: Does the hon. member not belong to one of those professions?

Mr. Brewin: Oh, yes I know them very well.

An hon. Member: That is why he said what he said.

Mr. Brewin: The worst feature of the report is the attack on public housing. After denigrating public housing the report calls for a thorough research program into its economic, social and psychological implications. It is as though the economic, social and psychological issues of public housing should not have been before the government for many years. Public housing is a widespread feature of the housing field and every civilized industrial society in the world has experience of it. Yet we are advised to conduct more research in this regard. But here are the key words: "Until such a study is complete and assessed, no new large projects should be undertaken." What are these new large projects which ought not to be undertaken? As I understand it, the Ontario Housing Corporation as well as other housing corporations have for a long time been against large public housing projects. But the hostile tone of the report indicates that public housing projects generally are to be taboo or restricted. This edict, this chill of death on public housing, spells the end to any reasonable hopes for decent housing for a large body of Canadians. The task force seems to brand public housing as an imported concept, as though there was something wrong about importing concepts that have worked somewhere else.

• (5:50 p.m.)

We are told there is something un-Canadian about public housing, that it runs counter to

the general Canadian concept of social welfare and security. I say this is rubbish. It is perfectly true that Canadian governments have lagged miserably in the development of public housing. Federal funds have provided for only 38,000 units of public housing. In a population of 20 million which is suffering from an acute housing crisis, this is a deplorable record and represents a mere drop in the bucket. Certainly, we have not had too much public housing; indeed we have had too little. No other industrial nation, including the United States, the home of free enterprise, has attempted to deal with its housing problems without making a massive effort in the field of public housing. The same is true in Canada; without a massive effort the problem will not be solved.

This task force does no service to Canada and to housing as a whole when it denigrates the idea of public housing. Who benefits from public housing with rents that are adjusted to ability to pay? In metro Toronto alone 35 per cent of those who benefit are mothers on small incomes with a family who are alone and have nobody else at all to support their family. If there were no public housing, to whom would these mothers with small families turn for shelter for their families?

There are 14,000 pending applications for public housing with the Ontario Housing Corporation in metropolitan Toronto alone. This means that some 30,000 people at least are on the list waiting for housing. Hundreds of thousands of others who require public housing do not even apply for it because they know the situation.

I know something of this desperate need personally. In co-operation with the provincial member I have in my constituency what we call a service centre. We invite people with problems to come to us. There are no more tragic problems about which we hear than those raised by people looking for housing, who are desperately asking for advice as to where they can get housing. These are people with large families, people to whom landlords will not rent premises. They do not know where to go.

I want to pay tribute to the Ontario Housing Corporation. The minister speaks rather disparagingly of the provincial efforts from time to time. I am no friend of the provincial government, as he knows, but the Ontario Housing Corporation is the only place to which people can turn in their search for public housing. There is a long waiting list and a points system is in operation. One has to be in the position where one is about to be evicted from one's house before getting enough points to qualify for accommodation.

I wonder why the task force did not discover this? I wonder whether they bothered to inquire from the people who are really in need. Certainly, there is no sign in their report that they did. I should like to inform this house that families are regularly being broken up because of the lack of an adequate supply of public housing—not because there is public housing but because there is an inadequate supply of public housing. These are not problem cases; these people are steady workers of moderate means. I repeat, we need more public housing, not less.

Public housing does, of course, present certain difficulties, but the solution is not to throw out the baby with the bath water and abolish public housing, or even restrict it. It is, as the hon. member for Halifax-East Hants said, necessary to provide proper management, adequate recreational facilities and to give people in public housing some control over their circumstances so that they can develop a community spirit. We have not scratched the surface of the real problem here. The task force rushes in and says that there are psychological problems involved and away with public housing. Although it would like to abolish public housing, the task force thinks that that would be going too far and it just proposes to slow it down.

Public housing should not be considered a refuge for failures and misfits. Tenants should be given every encouragement to have a say in the management of their own residences. We have a lot to learn in this field. In my view, the major problem facing Canadians today is housing. I prophesy that this is going to turn out to be the Achilles heel in the record of this government. The Prime Minister seems to be bedevilled in this field with constitutional doubts.

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

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if I could have the consent of the committee to report progress and to revert to motions for the purpose of putting a motion

with respect to the standing committee on external affairs and national defence. The matter has been discussed generally.

The Deputy Chairman: Does the committee agree to rise, report progress and to request leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

PERMISSION FOR COMMITTEES TO TRAVEL OUTSIDE CANADA

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, may I have the permission of the house to revert to motions for the purpose of making a motion?

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, I move, seconded by the Minister of Manpower and Immigration (Mr. MacEachen):

That the members of the Standing Committee on External Affairs and National Defence be granted leave to travel outside Canada between March 8 and March 22, 1969, for the purpose of furthering their work; and that the necessary staff accompany them.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Béchard): The house will now resume its consideration in committee of the whole.

BUSINESS OF SUPPLY

COMMITTEE CONSIDERATION OF APPROPRIATION ACT NO. 1, 1969

The house resumed consideration in committee on Bill C-177, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1969—Mr. Béchard in the chair.

The Deputy Chairman: Order. It being six o'clock I do now leave the chair until eight p.m.

At six o'clock the committee took recess.

[Mr. Macdonald (Rosedale).]

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. House again in committee of the whole.

On clause 2—*$222,254,283 granted for 1968-1969*

Mr. Howard (Okanagan Boundary): Mr. Chairman, I wish to say a word or two on the estimates. Particularly, I should like to deal with the clause to do with regional development. During the last few weeks I have frequently heard the term "economic disparity in Canada". That phrase was used a good deal at the constitutional conference. I am happy to see that an expansion is planned for the department of government charged with responsibility for regional development and that additional expenditures in the supplementary estimates are included for that purpose.

Towards the end of last week the itinerant hon. member whose latest stopping place is Nanaimo-Cowichan-The Islands spoke disparagingly about the area incentives program. I represent an area the constituents of which have benefited greatly from that program. Between 2,000 and 3,000 jobs have been created by the program in my area. Over the years I have heard N.D.P. spokesmen condemning this program, as they condemned the auto parts treaty. I am sorry the leader of the N.D.P. is again not here this evening. If he were to go to my riding he could talk to those workers who are among the 2,000 or 3,000 who have benefited from the jobs the area incentives program brought to our area. Of course, if he would rather see those workers unemployed, if he would rather see them not benefiting from this program, if he would rather see their families suffering—

An hon. Member: Big joke.

Mr. Howard (Okanagan Boundary): I do not say, of course, that the regional development program or the area incentives program cannot be improved. If we remember that many Canadians are still unemployed we shall concede that all our programs must be improved.

Other measures to deal with other matters are being considered by the government. We have heard much talk about linguistic disparity, and tonight I wish to say a few words about that disparity. A few years ago Professor Parkinson told us of a law to the effect that work expands to fill the time allotted for its completion. Tonight I wish to mention

another law known as the law of administrative concern. That law says that administrative concern varies inversely with the square of the distance between the administrator and the problem. Putting it another way, as the mayor of Vancouver said at one time, it is 3,000 miles from Vancouver to Ottawa but 30,000 miles from Ottawa to Vancouver. The premier of British Columbia recently responded to sentiments underlying that law when he proposed that British Columbia should take over chunks of the Northwest Territories and the Yukon. He felt that British Columbia was physically closer to those areas and could do a better job of solving their problems.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Chairman. I understood there was general agreement that at this stage we were to discuss the housing items in the estimates. There may have been a bit of confusion or misunderstanding about the details, but it was agreed to deal with housing at this time:

Technically speaking, we are on clause 2 of the bill, but we agreed to talk about housing. The Minister of Transport is here, and we all know that he is here for that purpose. I wonder, therefore, how we are getting into regional development and linguistic problems under this item, in view of our agreement.

The Chairman: It was also my understanding that there was such agreement. However, that agreement resulted from a statement of the President of the Privy Council and it is up to hon. members themselves to honour it. If the hon. member wishes to discuss something else on clause 2, I do not see how he can be ruled out of order. However if there is an agreement of the house, I think hon. members ought to observe it.

Mr. Howard (Okanagan Boundary): Mr. Chairman, I knew we were dealing with clause 2 this evening but I was not consulted about anything else. I was talking on clause 2 and dealing with regional development.

Mr. Stanfield: On a point of order, Mr. Chairman. I thought we were to have orderly discussion. It was agreed we would talk about housing. The minister is here to give his words of wisdom. I thought what was agreed was perfectly clear.

The Chairman: Possibly, it might facilitate matters if the hon. member for Okanagan Boundary were not to talk about regional development. An understanding does exist. It was not an order of the house but, rather, a consensus arrived at by house leaders. I know the hon. member is within his rights in raising any subject under clause 2; yet it seems to me, in the interest of orderly procedure and if the hon. member for Okanagan Boundary is agreeable, the committee could deal with the matter of housing and defer the matter of regional development. Is that agreeable to the hon. member?

Mr. Howard (Okanagan Boundary): I will bow to your wishes, Mr. Chairman.

Mr. Alexander: Mr. Chairman, I am pleased to have the opportunity to speak in this debate. I do not wish to mislead the house and say we have a crisis in housing—oh, no. But what we do have is about as close to being a crisis as can be imagined. When we think of housing, Mr. Chairman, we are thinking about the quality of life of our Canadian people. Nearly half our 21 million Canadians are under 25 years old. In view of this, it is necessary that we consider the problem, irrespective of what the minister has stated. He does not think the possibility of owning one's home is something with which we can contend. I am sure the average Canadian wants the opportunity to own his own little plot of land with a 30 or 50 foot frontage so that when the frustrations of this complex life reach him he can sit on his porch or in his own backyard. I maintain this is one of the prime objectives of the average Canadian, particularly those in the age bracket to which I just referred, who are thinking of buying homes. I fail to understand how these people can buy a home even with a salary of $8,000 or $9,000 a year.

• (8:10 p.m.)

I have a copy of "Commercial Letter" published by the Canadian Imperial Bank of Commerce which deals with the population growth of this country. Because of the great impact of the population growth, the government must make drastic changes in its housing policy. I quote from "Urban Transportation in Canada":

> Canada's historical reputation is that of a country of wide open spaces and a sparse, mainly rural population. Yet today, roughly half of all Canadians are living in metropolitan areas with populations of over 100,000.
>
> This proportion of urban dwellers has increased dramatically since 1951, when it was slightly more than one-third of the total population. While the

total population of Canada increased by one-quarter between 1956 and 1966, that of the ten major cities expanded at almost double that rate.

The most important part of this article reads:

By 1980, it is estimated, six out of ten Canadians will be residing in urban areas with metropolitan populations of over 100,000. One-third of the country's population will then be concentrated in Montreal, Toronto and Vancouver.

The Economic Council of Canada has indicated that within another 15 years or thereabouts there will be a population of some 10 million people in the province of Ontario. I would like to think we are facing a crisis because if we do not have a crisis now, then that crisis with respect to our housing problem will be reached in 15 years. As I said in my maiden speech, I do not think about the roof over one's head, nor particularly about the garden. I am thinking about the relationship between husband and wife that can break down because of the conflicts and frustrations of urban living. I am thinking about the congestion in cities, juvenile delinquency, pride and transportation. I know an hon. member was politely chastised for getting off the track, but I want to suggest that this government must think about transportation in terms of this mass impact caused by the population growth.

I think the Prime Minister has the right idea but I do not know what is the matter with the rest of the government. They do not want to move; they talk in cliches and at times they are arrogant or disinterested. Sometimes they are apathetic, conversant or indifferent.

In Edmonton last June the Prime Minister emphasized the need for research, lower cost construction, new cities to relieve pressure on existing ones, amendments to the National Housing Act to give more help to smaller communities. He stated funds would be appropriated for land assembly, services, house construction, acquisition of rental units and research into urban transportation. He stated discussions would be held with the provinces to encourage urban research by universities and the effective use of Crown lands. I do not know what discussions the government had with the provinces. According to the information I have received, Mr. Chairman, it apparently was a partisan fiasco whereby a task force travelled the country not looking for help from the municipalities and provinces, but rather a partisan jaunt into the wilderness in order to arrive at solutions.

[Mr. Alexander.]

I am a new member trying to get an answer from the minister. I have learned when you ask a question you receive an answer in generalities. If you ask "when" the answer is, "soon".

The Minister of Transport stated during the election compaign there had not been enough concentration on the housing situation but if he was re-elected he would break the red tape and translate the thinking into action. Those are great words, Mr. Chairman. The minister stated he wanted to keep the price of land as cheap as possible. The Prime Minister did not make expensive election promises. This would give him a mandate in automatic interest rates, unemployment and the housing shortage.

I like the Minister of Transport. I think he has the possibilities of producing, but not this year. It is questionable about next year. We do not want to speak about the third year because by that time we may be getting into another area of talking to people outside these hallowed halls. On June 9 the minister stated the Liberals would put Canada ahead in the world in regard to urban development. This was great news.

The Prime Minister asked the Minister of Transport to tour Canada and meet with provincial governments, municipalities, unions, lending institutions and social workers. The minister was to find the red tape and why there was a lack of co-operation between governments. I do not know whether the minister remembers saying", "I will write a new policy on housing and pull all the strings together". He said that in New Hamburg, Ontario last June 19. I know the minister has the quality of life of Canadians uppermost in his mind, but people want action not cliches.

There is a lot of money available as I understand it, and there is need for the federal government to put money into the housing field. I believe there is approximately $8 billion in pension funds and in five years there will be approximately $14 billion available. Has the minister considered this? The cost of housing has always been a problem for those on the poverty line. There are some four million people now on the poverty line. At the rate we are going now these people will never be able to own their own homes.

• (8:20 p.m.)

That is one area. Now we are moving into another area, and we find that people in the middle income group are meeting problems in

trying to own their own homes. When a man makes $7,000, $8,000, $9,000 or $10,000 and cannot buy a home, don't you think that adds up to a housing crisis? There is something wrong somewhere. The Hamilton Area Co-operative Housing Association points out that in 1956, a three bedroom, one floor, brick home of 1,050 square feet cost $11,900. Do you know what the same house cost in 1967? It cost $21,500. That is fantastic. Now, we are talking about increasing the amount of mortgage to $35,000 at 9⅜ per cent interest. I do not want to calculate how much interest that is.

My colleague from Halifax-East Hants has computed the interest on a $20,000 mortgage, and has shown that a person winds up paying $27,000 on top of the $20,000 principal. When we talk about a $30,000 mortgage the figure becomes astronomical. When we talk about housing, and I know this will be difficult, I think we have to approach the problem by trying to reduce interest rates.

With interest rates as high as they are very few people will be able to afford their own homes. Those of us who have homes now are indeed fortunate. We must also start thinking about whether we should allow interest on mortgages as a deduction for income tax purposes, and about whether we should allow land tax on our homes to be off-set as a deduction for income tax purposes. We must give the incentive somewhere.

Regardless of the jurisdictional problem between the federal government and the provincial governments, there has to be dialogue in order to ascertain what is feasible. I know the government will say, "Where are we going to get the money if we do what you suggest, or if we take off the 11 per cent tax on building materials?" In this area we will have to talk about priorities. If we take off the 11 per cent tax on building materials, then obviously we will have to decide where we must concentrate our priorities in order to alleviate the situation.

I do not want to take up too much time, Mr. Chairman, because I know there are other hon. members who have a lot to say, and I do not want to be repetitious. However, I do wish to deal in closing with urban renewal. I know the minister is interested in this matter. Urban renewal is certainly a part of the housing program. Urban renewal is of prime importance.

When I travel this nation as a federal member of parliament trying to learn about the several problems this country is facing, I continually hit the problem of urban renewal in our major cities. They want to know what is happening. They have urban renewal programs in the first, second or third phases, and they need direction and leadership from the government because of the commitments they are facing. If they do not learn soon which way the government is going to go, they will be in trouble, not for 15 cents or $100,000 but for millions of dollars. The minister must come up with an answer with regard to urban renewal projects that have already been started and have reached the point where commitments must be satisfied in the near future.

As I said in the first instance, Mr. Chairman, housing is not a crisis but it is going to be a crisis in a few years. It is advisable that we examine this problem, come up with solutions and give answers to the Canadian public. We must know whether the government is going to follow the pattern it set prior to June 25 last, when its members said they were going to cut red tape, make housing available, and lower interest rates. If they do that, we will be half way on the road to the just society.

Mr. Gilbert: Mr. Chairman, my remarks tonight are made more in a tone of sorrow than in a tone of anger because I am going to say that the Minister of Transport, who is in charge of housing, must go. His performance to date has been a tragic failure. His attitude has been one of smug indifference to Canada's most critical problem, housing.

The minister tabled the report on housing on January 29. To date he has done nothing of any consequence except promise legislation in the near future. When one reads the declaration of principles in the report of the task force, that every Canadian should be entitled to clean, warm shelter as a matter of basic human right, one is moved; but one is not impressed with the performance of the minister.

The task force devotes half its recommendations to improvements in mortgage financing, mainly to improve the housing opportunities of those of average incomes and above. It does nothing to meet the demands of those whose housing needs cannot be met through the private market, and who compose roughly 35 per cent of all Canadians.

The minister and others take refuge in the popular sport, making public housing the

whipping boy. I would be interested in knowing who wrote this report. Surely, it would not be the minister. I would be interested in knowing who signed this report because not one signature appears to it.

There must have been some difference of opinion among the members who composed the task force. Yet, there is not a single dissent. I ask the minister who wrote the report? Were there dissenters with regard to these recommendations?

Mr. Hellyer: No dissent.

Mr. Gilbert: The minister has just said "no dissent." I am really surprised.

Mr. Hellyer: A unanimous report.

Mr. Gilbert: I am surprised at the parrot-like performance of the members of the task force, especially when one realizes the composition of that force. First of all, there is the chairman who has a record as a successful builder. Then, there is Dr. Boyle, a sociologist, whose main effort in Toronto was to tell some people in a public housing project that they should not have a telephone so they would be able to save up the down payment for a house; Mr. Carter, a mortgage manager, Mr. Campeau, another successful builder, Dr. Gillies, an economist, Dr. Dansereau an ecologist, and Dr. Pratt, an architect. The chairman never thought of asking for a representative from the trade union movement. He never had a representative on the force from any consumer group, or from any public housing authority. Is it any wonder the report is so slanted?

There are a few things in the report which I would like to draw to the attention of the minister. First, I would like to see him set up the new Ministry of Housing and Urban Affairs to encourage, support and co-ordinate expanded urban research programs with greater priority on the initiation of practical research programs including private projects. Why not do that now? We have a bill before us to reorganize government departments. Why not set up this new department so that the minister can set forth a program worth following? Why doesn't the minister give leadership instead of hiding behind the constitution? Why doesn't he set up this new ministry to assess the housing needs of all Canadians, and program, finance and direct the proper mix of residential homes, apartments, public housing, senior citizens' housing and co-operatives?

• (8:30 p.m.)

The minister well knows that the provinces cannot do it alone. This possibly is one of the reasons he supported the recommendation to establish a separate ministry. Now, he has an opportunity under the reorganization bill to do something and I would ask him to appoint a minister to get on with the job. There is a certain aspect in respect of finance. Why does the minister not give a new direction to financing? The report says we need one million homes in the next five years. This is approximately 200,000 units a year. I find this rather surprising because Central Mortgage and Housing Corporation had a projection of 225,000 homes. I might ask why there is this difference. I imagine the minister could quite easily tell us because he is so well informed on this particular subject. We in the New Democratic party set 250,000 homes as the figure to take care of the short-fall in previous years.

The minister knows that in 1966 we added 134,000 homes, in 1967 we added 164,000 homes and in 1968 we added 196,000 homes. The minister knows the appreciable shortfalls we have had in the past years. Why does he not accept the target set by C.M.H.C. of 225,000 homes? Having done that, I would ask the minister to call the financial institutions to Ottawa right now and obtain written commitments from the insurance companies, trust and loan companies, banks and other financial institutions. With a target date of March 15, I suggest that he should bring them down and obtain written commitments from them that the necessary mortgage money will be available. Then, by August 15 if they have not lived up to their written commitments, the necessary legislation could be introduced. The builders then would have a steady flow of mortgage moneys and we would have a definite building program for this year.

Last August when we faced a housing shortage, the minister called representatives of the finance institutions down to Ottawa and asked them to put more money into housing. They flatly refused. You will recall, Mr. Chairman, that the people had to get money, which was government money marked for public housing, and direct it into the housing needs of Canada. So, I suggest that the minister should not depend on the social conscience of these financial institutions but should obtain their written commitments by March 15. Then, if by August 15 they have not lived up to those commitments, pass the necessary legislation.

Now, I should like to chat with the minister about his naïve idea that by lifting the N.H.A. ceiling we will have lower interest rates. I am surprised because here we have a successful builder of houses in the past who comes forward with this idea at this time. He appreciates that the interest rate at the moment is 9⅜ per cent under the N.H.A. and 9½ per cent and 10 per cent under private loans.

I shall ask the minister to recall what happened when we lifted the ceiling from the bank interest rates. The interest rate on bank loans was 6 per cent. When we had a review of the Bank Act a number of bank officials came down to plead with the members of the committee to lift the ceiling of 6 per cent from the bank interest rate. The government supported them and the rate was lifted. What happened? Well, last year the banks had a record year. One bank had a profit of 48 per cent over the previous year. The average profit was 37 per cent. Now, I ask the minister if he is going to be naïve enough to lift the ceiling from the N.H.A. rate and subject Canadians to higher interest rates because, as I said before the Committee on Finance, Trade and Economic Affairs, money has no conscience and has no patriotism.

I do not always agree with the hon. Leader of the Opposition, but he has pleaded with the minister to keep that ceiling. I must say that the Leader of the Opposition is a man of conscience, a man of decency, of compassion and understanding. I am sure the minister who at times shows the attributes of understanding and compassion, will leave that ceiling on the interest rate. He will tell the financial institutions that the mortgage interest rates they are charging now are high enough and that any increase would be unconscionable. Unconscionable is the nice word one might use in place of the biblical word "usury". I am sure the minister would not be one to promote usury among financial institutions. After persuading the minister concerning the interest rates I doubt, Mr. Chairman, that he would dare take such action.

The next item I should like to mention is the abolition of the 11 per cent sales tax on building materials for homes. I stopped at the word "homes"; but I would add the words "up to $25,000". If we offered a bonus to people who are in a position to purchase expensive homes by lifting the 11 per cent sales tax we would be doing a disservice to most Canadians. But if the 11 per cent sales tax were lifted on homes valued at less than $25,000 the people would have some indication of the minister's concern about lowering the prices of homes. I am sure he is anxious to lower the prices of homes. He has stated on different occasions, as has the report, that there is a necessity to cut down the cost of homes. I would ask the minister to persuade the Minister of Finance to lift the 11 per cent sales tax in respect of homes up to a value of $25,000. If the Minister of Finance, in his very pontifical and Buddha-like way, says that he cannot do that because we would lose $250,000 I am sure the minister of transport could say to him that a capital gains tax on land deals would obtain the moneys to compensate for the loss of the 11 per cent sales tax.

Mr. Carter, in his report, suggested that $5 billion in Canadian money is lost every year because of tax evasion and that in comparison this 11 per cent sales tax is a mere nothing to the Minister of Finance. I know the Minister of Transport in charge of housing, in his very persuasive way, will be able to show the Minister of Finance the error of his ways and convince him of the necessity to remove the 11 per cent sales tax in respect of homes up to a maximum value of $25,000. If he does not do so then he will have demonstrated to all Canadians that he is not very much interested in lowering the cost of homes; that he is tagged to the financial institutions and to the get-rich boys in the housing field.

Much has been said in respect of public housing and urban renewal. The hon. member for Greenwood this afternoon went into detail concerning this important subject. I am sure that after reading the press reports, and after receiving the briefs from the different organizations, the minister will not put a freeze on public housing until we have a study in respect of the economic, social and psychological effects of public housing. I am surprised that the minister would use those rather cute but effective words, the economic, social and psychological effect of public housing. I am surprised because he comes from the same city I do and represents a riding much the same as mine; that is a workingman's riding.

• (8:40 p.m.)

Last week I received four telephone calls from people in my riding asking for public housing. On Thursday, I received one call from a widower with five children who is being put out on Thursday evening. I had to

say to him that there are 14,000 people in the city of Toronto waiting for public housing. I cannot believe for one moment that our Minister of Transport in charge of housing could be that cold-hearted and that ruthless, that he would put a freeze on public housing and urban renewal until he makes and economic, social and psychological study of this important subject. That is not in keeping with this minister.

I am sure that after the minister reflects on the very quick study he made of public housing he will feel ashamed because the government has not passed legislation to provide recreational facilities for these public housing projects. I feel that he will see to it that recreational facilities are provided so that we do not have large concentrations of public housing, as we have had in the past, which will scatter these facilities all around, but that we will encourage those people in these public housing projects to have dignity, a sense of worth and the ambition to save the necessary money to buy homes of their own in the near future.

I call upon the minister to get up and say he will not put a freeze on public housing and urban renewal. The previous speaker spoke eloquently of the crying needs of cities now waiting final approval with regard to public housing projects. In the city of Ottawa there are 1,600 projected units, 800 of which are ready to go and waiting for approval by the minister. I should like him to get up and tell the hon. member for Broadview that he is going to approve those 800 units for the city of Ottawa immediately and approve those public housing projects that have already been commenced because he feels they are necessary to meet this critical shortage in housing.

I was rather impressed with the remark the minister made to the hon. member for Broadview when he said the report referred to the persuasion of different bodies, real estate boards and law societies, to reduce their fees. He asked the hon. member whether he was not a member of the legal profession. The hon. member said, certainly, and that is the very reason he suggested this was only a pipe dream.

Mr. Hellyer: It was the hon. member for Greenwood who said that, not you. You are mixed up.

Mr. Gilbert: It was the hon. member for Greenwood, and I am sure the minister got the import of the remark. He is a member of the legal profession and so am I. We know the difficulties the minister is going to have. I appreciate the remarks the minister made in respect of the high fees in Newfoundland, that province which needs tremendous housing projects and all the money we can pour into it to get away from the economic disparity that exists there.

Let me tell the minister the most practical way to initiate or demonstrate this lowering of legal fees. The first step he should take is to get the patronage list of the government and tell the lawyers—

Mr. Woolliams: And burn that list.

An hon. Member: You are on that list too, Gilbert.

Mr. Gilbert: He should burn it or set the tariff charges in respect of C.M.H.C. mortgages at about one half of one per cent.

Mr. Hellyer: That is a good idea.

Mr. Gilbert: Thank you. I am glad the minister really appreciates the wisdom that is flowing forth this evening. He is a man of compassion and understanding, and I am sure he will act boldly.

As I have said, the minister should set up a new department of housing and urban affairs, and he should do so now. He should persuade the Prime Minister to amend the organization bill and then call down the financial institutions and give them a target of 225,000 or 250,000 homes to take care of the short fall. They should do this by March 15. On August 15 they should be called back to review the targets, at which time legislation should be imposed if it is found necessary. I notice that the hon. member for High Park is nodding his head in agreement. He also happens to be a lawyer. He practices in Toronto and has an excellent practice. He is also a man of understanding and compassion. Therefore, you have support, Mr. Minister.

Perhaps the minister has read the remarks of the hon. member for Davenport, who replaced Walter Gordon in a not very impassionate way. He said we should not thwart public housing and urban renewal because he appreciated the impact it would have on the people of Toronto. I am sure that—

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Gilbert: I have one more sentence.

The Chairman: Is it the general agreement of the committee that the hon. member should continue?

Some hon. Members: Agreed.

Mr. Gilbert: Mr. Chairman, when I look across at the Minister of Transport I see in him the spirit of concern and understanding. I am sure he has knowledge of the biblical quotation that birds have their nests, foxes have their holes, but most Canadians have no place to lay their heads. I am sure after taking that into account the minister will bring forth the necessary changes to make this a better Canada.

Mr. Woolliams: Mr. Chairman, first of all I should like to congratulate the other members who have spoken today. All of them will agree with the hon. member for Hamilton West, that there is a housing crisis. I do not intend to fool around by saying it appears there is going to be a housing crisis. There is a housing crisis now.

There are four or five factors we must think about when considering housing, particularly in urban centres. As hon. members know, I come from the city of Calgary. A lot of people talk about the affluence in existence there, but I suggest there is affluence in all cities and that all of them have their pockets of poverty. Let me say that I have read the great document before mentioning the five aspects of housing and urban development considered by the task force. It seems to me that first of all we must have land availability. Land must be available at a reasonable price to the average person with an average income. We also must have mortgage availability. Money must be available because persons on salary or operating small businesses cannot purchase homes if mortgage money is not available. We must also have down payment availability and builder availability. If you take these and put them together, you get more housing.

• (8:50 p.m.)

Let us consider land availability and let us take a look at what goes on in respect of it. May I say, with the greatest respect to the minister, and I am not being critical now, that there is much talk these days about dialogue. They are full of dialogue, monologue and whatever kind of "logue" they have, but it does not take a genius in the construction world, or even a man with the experience of the minister, to find out what Canadian people need so far as housing is concerned. So far as land availability is concerned, the first thing the government should be doing is to work in co-operation with the provinces and the municipalities of this nation to ensure that the large sections of land surrounding our cities are made available for housing. We know that 75 per cent of our population today live in urban centres, which includes villages and towns as well as the great metropolitan centres. What has happened has been that speculators saw there was going to be a great housing crisis in Canada, particularly because of the kind of government we have. I will have something to say about that in a few minutes but now I want to keep to the positive side of the subject.

What has happened has been that these speculators have been allowed to buy up land at certain prices which have doubled, tripled and gone up the ladder, so that the problem today is centred on the cost of land. Let me speak of the first thing that the task force should have done, without these beautiful words and this beautiful dialogue which has been going on ever since the Prime Minister was elected and ever since he defeated the present Minister of Transport. Let us be positive and let us have a constructive approach to this subject. Let us work out a program together with the provinces and the municipalities to provide a land pool to be purchased by C.M.H.C. at a reasonable price so that it can be developed. That is the first thing that must be done. A task force is not needed to come to that conclusion. My brother-in-law came from the United States 20 years ago and said to me: "If you want to make money, buy up the land around the cities". Everybody can see that this is the thing to do. It takes little imagination and all you need is some capital. Someone asked whether I did it. The answer is that I did not have that kind of imagination and 20 years ago I did not have the capital.

The next thing we must provide is mortgage availability. I was impressed by what the hon. member for Broadview said. I said the same thing myself some time ago. Let us get together the banks, the insurance and the trust companies and all those institutions and corporations with a pool of capital and say to them: "We took the ceiling off the interest rates". I realize the Bank of Canada is charging 7 per cent today and this affects the rates

that the banks charge and the rates that the insurance and trust companies charge. Let us get them all together and point out to them that there is a housing crisis. The crisis is not in the process of developing, it is in force right now. We should tell these institutions: "You control the pool of capital in this nation." It is true that we withdrew much of that capital from circulation, and that is what I want to deal with now. The Progressive Conservative Party has said for years, since we became the opposition, that the government should take heed. Even the Minister of Agriculture, when he was on this side of the house, warned the government of this impending problem. I could quote some of his statements.

We warned them when they brought in the Canada Pension Plan and took out a pool of capital, about which they do nothing, and we warned them when they brought in the civil service pension at 5 per cent. There is a big pool of capital there. I would have thought the minister would have been able to direct the flow of that money, which we warned them would have an inflationary effect. They told us they could not control inflation. The fact is that when the Liberals are in power there is inflation all over the world; this is a world problem. However, when other parties are in office, inflation is a problem of the party which is governing the country at the time. That is the difference between the views of the minister when he was sitting in opposition and his views now that he is minister. What we need to do now is to pool the capital which this government collected through its taxation policy. If it had controlled inflation better, this pool of capital would be larger. So, the thing to do is to get the institutions of the nation together and tell them they have a responsibility as corporate citizens of our nation to do something about housing.

The next thing we should consider relates to down payments. The former government was defeated in this house on its measure to increase income tax. Nothing was said about that during the election. They buried it, but when the Liberals came back they brought back the same people and the same policies. You cannot take the cream off the wages and expect the wage earners of this nation, some of whom are not protected by unions, to have money for down payments. There is not a law firm that does not know that the interest rate on second mortgages in Toronto, Calgary, Vancouver or Montreal is 15 per cent. In some cases, because of the bonus that is paid on the capital, the interest is as high as 20 per cent. So, what we need is down payment availability, and we cannot have it when you take the cream off the wage earner's wages or when we have the kind of policies we have had since 1963, which the Trudeau flowers have not been able to change. Blowing bubbles on flowers is not going to change the policies of this nation. It is about time Canada woke up and realized that this charisma will be dead pretty soon because there is nothing alive about this government's economic policy; it is dead.

The next thing we need is builder availability. We must not have all this red tape. The minister deals with this himself in his brief, or whoever was on the task force who wrote this. I think there is more Liberal propaganda in the statement than any sincere interest in improving the housing conditions of the nation. It is impossible to get builders who are able to get that kind of capital to stay in the construction business when there is a tight money policy, such as there is now, and to build the kind of houses that Canadians need.

So, if you take all these things together, that is land availability, mortgage availability, and down payment availability, and if you start now to provide the houses you will be dealing with the problem constructively. What will happen in this nation when the high school and the university students graduate, get married and look for houses? There are no answers that we can see in the report of the task force.

Now, what should be done? I will review what I have said. As I said at the beginning, we should immediately buy sections of land around the cities to make certain that inflation does not eat out the pocket book of the average Canadian who wishes to buy a home. Secondly, we should get together mortgage companies, banks and trust companies, as well as the government which should lead the way, to direct capital which they control into the housing business. The government should shape its policies in such a way that people will be left with sufficient money to make down payments. At the same time the government should encourage builders. The government must not make money available one month and then impose tight money the next month. The contractors of this nation have suffered under this Liberal policy on many

occasions, starting with the policy of the former minister of finance back in 1956.

• (9:00 p.m.)

Take a look at what the government has done. We in opposition are sometimes criticized because we are too critical. Maybe we are. But since 1963 every budget brought in by finance ministers of the party opposite, whether by Walter Gordon, by Mitchell Sharp or by the present minister, has been an inflationary budget looking toward programs of a kind which make it more difficult to get streams of capital flowing into housing projects.

The minister said in Toronto, I believe, that the first thing we must do is remove the sales tax. We have been saying this ever since the tax was imposed. Hon. gentlemen opposite have got to make up their minds, though I know this will be difficult with all the dialogue that is going on. The Postmaster General has been talking about post office efficiency in one breath and about NATO in the next, and another minister has been contradicting him in another part of the country. At any rate, the minister has come to adopt Robert Winters' idea that the 1 per cent sales tax should be removed.

It is no good saying this out in Vancouver, because the minister's credibility—I am not applying this to him personally I am talking about his credibility when speaking as a minister of this government—is not very good out there. This has been promised before. Oh, the minister can smile. I do not mind him smiling; it is a nervous grin. I want him to sit around that new Privy Council table, with all its greatness and its flowers, and say to the Minister of Finance and to the Minister of National Revenue: It is time this tax was removed because there is a housing crisis. It may be a very bitter pill to swallow because we have been saying this ever since the government put on this tax. We were right then, and we are right tonight, five years later. This is one of the things that ought to be done.

Turning, now, to the question of priorities, it is amazing how the Prime Minister gets away with it. Think of the things he has said as Prime Minister. No other prime minister has made any statements like them. I will mention some examples by way of digression. Let me say first of all I have nothing against the idea that we should have a bilingual nation. But the right hon. gentleman says: If you can't speak French, you run elevators. As far as housing is concerned, the Prime Minister said it was a provincial responsibility. I say to the minister that while he is trying to solve the housing problem through his task force the Prime Minister is making it more difficult, as he did during the convention. He is saying, in effect: Why should we be spending money on a task force across this nation since this is a provincial responsibility, anyway; I wash my hands of it. Statements of that kind do not add one ounce to the credibility of the government.

Let us take a look at the solutions suggested in the report. I was in Calgary one morning and I turned on the radio. The minister was agreeing that we might direct the baby bonus payments into down payments on houses. Mr. Chairman, the very people who need a down payment to buy a house certainly need the baby bonus to keep the baby alive. But that was one of the minister's solutions. The second solution was that mortgages should be amortized for a greater length of time. What does this really amount to? Take a mortgage of $10,000 at 10 per cent. On a 30-year loan if you keep your payments up and if the government does not tax you to death, you will be paying in interest $21,057.20.

An hon. Member: And a lot more besides.

Mr. Woolliams: Those figures are by way of illustration. In fact, I am sure you would pay double.

Some hon. Members: Oh, oh.

Mr. Woolliams: Now take a 35-year loan. On a loan of $10,000 you would pay, in interest, $25,460.60, while on a 40-year loan your payment amounts to $29,998.40. This is the minister's great solution—

Mr. Gibson: Better men than you have been working on this.

Mr. Woolliams: Oh, that is the great Gibson. He is from Hamilton Wentworth. The only good thing that ever happened so far as he was concerned was that his father was born before him. Let us return to the facts of the situation, as I was dealing with them before I was interrupted by that house genius. On a 40-year mortgage what does the difference in payment amount to per month—how much less does one pay per month? Two dollars and ninety-four cents. Well, if $2.94 a month is going to determine whether anyone can afford to buy a home or not, he is not in a

position to buy a house. The startling feature about this is the small margin of difference between the monthly payment on a 30-year mortgage as compared with a 40-year mortgage. By agreeing to pay an additional $2.94 each month an occupant can pay off his mortgage ten years earlier. And the saving in interest amounts to $8,941.20 on a 30-year mortgage as opposed to the 40-year mortgage. This is what is saved by agreeing to pay $2.94 extra each month according to an article by Richard H. Steacy which appeared in the Toronto *Star* last Saturday night. Yet, the only solution the Liberals have come up with is that people should extend their mortgages. The other solution is to try to use the baby bonus instead of feeding the baby. This is what I call a baby solution to a big housing crisis.

The Chairman: Order. I am sorry to interrupt the hon. member but is time has expired.

Mr. Hellyer: Perhaps I can take this opportunity to reply to some of the suggestions which have been made from the other side of the house and give additional information with respect to some of the ideas which have been introduced into this debate.

I agree this is a very serious subject. I have also said publicly that in some parts of the country, though not in every part of the country, it amounts to a crisis. I also believe there is no single solution applicable to all parts of Canada; one has to look toward a variety of solutions.

This is precisely what is proposed in the report of the task force. I do not know whether this is the best time to debate that report. I shall not attempt tonight to give the kind of explanation or support of it that I would be prepared to give on another occasion, but since so much has been said with respect to a few of the ideas contained in it I should like to discuss some of them at greater length and also to refer to some of the others which have not been mentioned in the debate.

It has been suggested we have been underproducing for a number of years. I think it is only true with respect to one year, 1966—the only year in recent years when production fell behind net family formation. To my hon. friend from Broadview I might say that one of the reasons for that was the fact that the interest rate was set at that time at a level which kept mortgage money from flowing into the market. Consequently, sufficient housing was not built. With that circumstance, the rise in interest rates during the last few years, plus the fact that the postwar babies are now reaching the age of going to university, are looking for jobs, are getting married and looking for housing accommodation, you have a combination of circumstances that is responsible for the present situation. This was really the reason the task force was set up last year and given such broad terms of reference to cross the country, enquire into housing and urban development in Canada, and to report on ways in which the federal government, in company with other levels of government and the private sector, could help meet the housing needs of all Canadians and contribute to the development of modern, viable cities.

• (9:10 p.m.)

The hon. member for Broadview suggested that in the choice of members for the task force we had neglected to include certain categories of experts which he enumerated. May I tell him that this was done quite deliberately. It was done so that we would have a task force composed of people with no preconceived notions and who could approach the subject with open minds; people of wide experience who brought to that experience a variety of disciplines which would complement each other and enable them, in the course of a few months; travelling across the country listening to evidence, to see whether a concensus could be arrived at.

As I indicated to my hon. friend earlier on, that is exactly what happened. This concensus could not have been struck at the time the task force began, but by the time the task force had finished there was a unanimous report, as the hon. member mentioned this evening. So this was a mini-jury of people from across the country of differing experience, but without preconceived notions and any personal identification with existing policies. Therefore, I think that their concensus is more valuable than it would have been had the concensus been arrived at by people who had been more directly associated with the subject for a longer period of time.

Some of the impressions gained by the task force have already been reported to hon. members, but I might mention some of them again tonight. As my hon. friend for Hamilton West indicated, much of the growth is taking place in the cities. This is where, to a very considerable extent, the action is. More and

more people are moving to the great metropolitan centres, and this seems to be an irresistible trend. There is opportunity in the cities. There is opportunity in the cultural field, in the employment field and in the education field. There is the variety that many people seem to want, and consequently this trend to urbanization is very well established, particularly so in our own country.

Whereas 100 years ago about 13 per cent of our people lived in urban centres, today over 70 per cent—soon it will be 75 per cent, later it will be 80 per cent and it may go as high as 85 per cent—of all the people in this country now live in urban centres.

This creates problems—problems caused by lack of planning, the problems of urban sprawl, the problem of poverty associated with urban life, the problem of transportation, the ability of people to move about from place to place in an urban environment. These problems tend to create in many urban dwellers a sense of frustration, which takes different forms in different people.

As I indicated a few moments ago, in attempting to meet these problems one has to look at a variety of situations, at the way different people are affected in different parts of the country, to see whether some solutions can be found that will meet the needs of the people in the various areas. For example, we visited in Ottawa the Bayshore community, which is a rental community. We found that the average income of most of the people living there was fairly high by cross country standards, but they did not have the down-payment for a new house. Most of them indicated that they would like to buy if the opportunity were available to them. So obviously the problem for these people is primarily one of equity—the opportunity to be able to acquire a home without the large down-payment which in many cases applies at the present time.

Then in Thompson, Manitoba, a mining community, we talked to numerous people but one in particular stands out, a lady who lives with her two children and her husband in a basement not because they do not have the income to buy a home but because there are no homes available. The average income there is very high by national standards, something of the order of $7,500 for the miners. They can afford to carry a decent sized mortgage, but there is literally no accommodation available. So there availability of mortgage money as well as equity are the two things preventing them from finding accommodation.

In respect to the poor, for either rental or purchase, the problems are the cost involved, the rents that are set and in many cases again the equity required. Because even where houses are available in parts of our country at fairly low rates, the size of equity required is beyond many of the people who are willing to buy.

We found this problem too in respect of public housing, which has been given so much publicity. We talked to a variety of people who expressed to us their emotional problems. One in particular stood out, though there were many, I refer to the case of a young girl who, when she applied for a job, gave her aunt's address so that she would not be directly identified with the project in which she lived because of the stigma attaching thereto. This was not a unique occurrence; it happened in a number of centres.

We came to the conclusion that a variety of solutions was necessary. It has been suggested that we put the emphasis on single family home ownership, but this is not correct. I do not think that anywhere in the report one can find a recommendation that emphasis be placed on single family home ownership. We did report that this is what the average Canadian would like to have if he could achieve his ambition. We did not say whether it was right or wrong; we merely reported faithfully.

We did say, however, that the range of choice should be as broad as possible, and that we should do everything within our means to make housing available to all Canadians in the maximum variety of choice. There should be the maximum of choice in respect to renting or buying, living on the ground or in apartments, living in the old city core or in the suburbs. This should be the choice not of officialdom, politicians or bureaucrats but the choice of the individuals directly concerned. We felt that this was a requirement not just for the rich, not just for the poor, not for the middle class or for the new so-called affluent poor, but for all Canadians.

We made a number of recommendations. Some of them have been referred to, others not. I should like to go over some of them again, including a few of those referred to by speakers on the other side of the house.

I agree with quite a bit of what the hon. member for Calgary North said. I do not

agree with everything he said by any means, but I agree with some of it. Certainly, availability of money, land and construction capability are fundamental. The prices of these are important. One of the most important tasks of the task force was to try and get costs down so that more Canadians could have better housing without increasing their taxes at the same time; in other words, better value.

• (9:20 p.m.)

This is not an easy goal to achieve and is different from the goal recommended by many of the briefs that were presented to us. A large proportion of those briefs indicated that the solution some people wanted was higher subsidies. Higher subsidies, unfortunately, must be paid for by the Canadian taxpayer; and if the net result of the recommendations is merely a redistribution of income, then we must look at all these relative changes and see how advantageous they are to each particular group being served. If we have better value in housing and if costs are brought down, then everyone benefits. That was the cardinal principle governing our approach to our task. So, we decided quite early in our investigation that one of the first and most important things to do was to increase the total supply of housing. There is no doubt in our minds that the shortage in many of our urban centres is a contributing factor to high costs. In most of the great urban centres in this country the vacancy rate is very low or practically nil. In a situation like that, if the landlord increases your rent by $20, $30 or $40 a month, you have two choices—pay the extra rent or live in the park. And it's not much of a choice. Under those circumstances, the matter of immediate urgency is to increase the total supply of housing to the point where there is a choice. Then, if the landlord decides to raise your rent you have the choice of paying the increase or seeking accommodation elsewhere. If people have that choice prices will be affected.

We were interested to learn that no one had conducted research to find out exactly what the relationship was between supply and price. We asked Central Mortgage and Housing Corporation to commission a study which would look at this problem in a preliminary way. That was done. The results were not profound, in the sense that much more investigation will have to be undertaken to determine exactly what that relationship is; but the people looking at the problem concluded that there is a definite relationship between the two, and that by increasing supply you will affect prices, which will go down. We felt it was most important that in this country we should increase the total housing stock to the point where there is a vacancy rate in all our great centres of 3 per cent, 4 per cent or 5 per cent, so that competition might take place in the market place.

Of course, in order to do all that you must have a supply of money. My hon. friend suggested we should call in the lending institutions and obtain commitments from them. He will be pleased to know that although we have not done that, I have written to our lending institutions asking them to give me in writing their intentions for the year so that we may know, both on a national and regional basis, what to expect. We have not had a chance to tabulate those results in full, as yet.

Mr. Brewin: Will the minister permit a question. I should be extremely interested if the minister would table in the house the replies he has obtained from these institutions to inquiries he made.

Mr. McCleave: Table the requests, too.

Mr. Hellyer: I shall be glad to think about that and to report to my hon. friend.

Some hon. Members: Oh, oh.

Mr. Hellyer: I really would not want to promise to do that until I have asked our institutions whether the information was given in confidence. I can tell my hon. friend, however, that the response so far has been most gratifying. Although we have not tabled the results of our inquiry, our initial impression is that capital will be available to meet the housing target for 1969. If that impression is correct, and I believe it is, we should have sufficient money along with that being made available by government to make inroads this year into the situation and to increase the over-all housing supply considerably.

We must also have enough construction capability to meet our target. It appears that the building industry is capable of meeting the need and of meeting the building target if the money is available. As we indicated, we have set a goal of 1 million housing units to be built in the next five years. This will require $20 billion, of which $10 billion is to come from private lenders.

Incidentally, when the hon. member for Broadview talked about C.M.H.C. figures of 225,000 units, he was referring to the 1974 target which has been set to allow for increasing demand.

Mr. McCleave: He also mentioned catching up with the backlog.

Mr. Hellyer: Provision is made in our figures for the catching up of the backlog in addition to the large number of demolitions of the immediate past.

May I continue dealing with some of our recommendations, Mr. Chairman? We wish to encourage more private lending institutions to fulfil their social responsibilities. From the response we are getting it seems they are interested in so doing. I do not want to leave the impression that our institutions are altruists and that more than anything else they want to—

An hon. Member: Give service.

Mr. Hellyer: —meet our housing needs. At the same time, it is only fair to report that most of them have some interest in doing just that and feel some responsibility towards the Canadian nation in making the necessary funds available.

Another of our recommendations was that we should have more efficient and more industrialized building firms in order that costs might be brought down. It is probably no surprise to hon. members to learn that about half the builders in Canada have been in the building business for less than five years. In the buildng business we need organizations with more capital and expertise, particularly professional expertise, if we are to have the necessary research and development of better projects. We need builders who will stand behind their products. Another benefit of large organizations of course is the benefit of scale. They have the ability to reduce costs through long production runs. These economies and long production runs have been impossible to bring about in the last few years. No sooner has an organization become geared to produce houses en masse than the flow of mortgage money has been cut off, the result being that the organization has been disbanded. If we are to have economies of scale, the kind of research and development that is necessary, and the sorts of companies that will back their housing products, it is imperative for us to have larger organizations which will continue to exist with greater amounts of capital.

Mr. Lewis: And how will you do that?

Mr. Hellyer: It is most important for mortgage funds to be available continuously so that the mortgage money tap does not keep going on and off as it has done in the 20 years since the war. The fluctuation in the availability of mortgage money has been the bane of those trying to do a good job in this field and made it virtually impossible for the kind of job which ought to have been done.

Mr. Lewis: May I ask the minister a question. I am interested in what he is saying. Is the minister suggesting that construction companies have failed to expand? Is he also trying to suggest that if more mortgage funds became available small builders would not continue building because they are under capitalized? I am afraid I do not follow the logic of the minister's thinking.

Mr. Hellyer: The answer to the first question is, yes. Because mortgage funds have not been continuously available, many companies have gone out of business. That has been a deciding factor. Had mortgage funds been continuously available I think they would have been expanded and we should have seen competition in the building business which only other large companies could meet. We must exclude, of course, small specialty building. Small entrepreneurs will always carry that on. I found that the larger builders were improving their product and leading the way in design and service. If these companies had been encouraged they would have made a much greater impact on the housing needs of Canadians had there been a continuous flow of mortgage funds available.

• (9:30 p.m.)

The next recommendation the task force made, and this is one which has not received the amount of publicity and discussion which I think it deserves, is the suggestion that N.H.A. mortgages be extended to cover all existing housing. I believe this is one of the most important and significant of all the recommendations because in many parts of the country there are houses available for $10,000, $12,000 or $13,000 and in some cases for $6,000 or $7,000. The main reason these cannot be purchased by the average working man is not income in many cases, but equity. If the N.H.A. applied to those houses the same way it applies to new houses, the average working man would be able to buy them in due course with a small down payment of 5 per cent or even less, as was recommended.

I agree with my hon. friend regarding the second and third mortgages. These are the bane of the existence of the average person. I know of working men who have managed to buy a house with a second and third mortgage, but when these mortgages came up for renewal and new bonuses were required, they lost their houses. They were not able to cope. I believe this is a terrible situation. This recommendation is designed to make it unnecessary in the future for people to go into the market—

The Chairman: Order, please. I am sorry to interrupt the hon. minister but his time has expired.

Some hon. Members: Go ahead.

The Chairman: Is it the pleasure of the committee that the minister continue?

Some hon. Members: Agreed.

Mr. Alexander: I would like to hear the minister talk about urban renewal.

Mr. Hellyer: I intend to get to that.

I think this is one of the fundamentally important recommendations because we found in places such as St. John's, Newfoundland, Winnipeg and many other centres across the country a lot of used housing available which people would buy and would be in a position to purchase if they did not need large equities or did not have to get involved in second mortgage financing at the high interest rates and with the bonuses and penalties which go along with it.

Mr. Woolliams: Would the minister answer a question? I am very interested in what he is saying. If the average wage earner could buy a lot at a reasonable price, then the same argument would apply to a new home. Is that not where the government should start working with other governments?

Mr. Hellyer: Yes, indeed. I will come to that in a moment. What my hon. friend is saying fits in with the philosophy of the report, that is the maximum range of choice, new and used, between the suburbs and downtown, between housing on the ground and housing in the air. The people should decide themselves what they want within the limits of geography and economics, which are always the limiting factors. Certainly, it can be done in this field.

I think the reason the housing act did not apply to older houses in former years was that it was felt the emphasis should be put on new production and in this way the filtering down process would take care of the needs of people of all income groups. The system did not work satisfactorily and one of the reasons was that the financial terms available for used housing were much less advantageous than the financial terms for new housing. If you have the same kind of financing for both the old and new homes, then you overcome to a very large extent this disability and allow people to purchase at the level which they can afford, either up, down or vertical as their circumstances change. They will be able to move from one kind of housing to another as their families' circumstances or tastes change.

In the process of trying to get costs down, there were three major areas to be attacked. As my hon. friend said, the cost of money is unquestionably the No. 1 problem. We referred to this in the task force report. It was outside the terms of our mandate, but we could not ignore it because we felt it was probably the most important contributing factor to the increase in costs in the last few years. We said this should be attacked as a matter of priority by all governments in Canada and by the people as well, by business and labour. Only by getting interest lowered to a reasonable level and controlling inflation will we be able to do what we ultimately want to do and that is make good housing available to every Canadian regardless of his circumstances. I think that is fundamental. I never said it could be done overnight, in a month or a year, but I believe that it can and must ultimately be done.

Mr. Stanfield: And ultimately we will all be dead.

Mr. Hellyer: I hope it won't take that long.

Mr. Baldwin: We won't need as much land then.

Mr. Hellyer: If we all die more land will be needed unless there is a more efficient method of handling that particular process. In respect of land, my hon. friend suggested almost precisely what the task force suggested and that is that land around all of the big cities should be bought by the cities for development. This is one of the four most important suggestions in the report of the task force. We looked at the situation across the country to see how the various systems were working. We looked at the experience in Saskatoon and found that

it was good. Historically this was a matter of accident. In the 1930's the entrepreneurs defaulted on their taxes. The city took over the land. They probably thought they had an unrealizable asset, but after the war they started to develop this land and sold it to war veterans as they returned. Fundamentally, the system worked reasonably well. In 1953 the city planned to get out of this business, but someone suggested this was a good system, should be continued and be part of the city's permanent policy. The experience has been so successful that in Saskatoon you can now buy a fully serviced lot for less than $3,000. This includes a $500 or $600 profit for the city. Another benefit is that the city is in the best position to design the urban environment. The city can make provision for future requirements such as parks, transportation corridors and all other public uses. The task force felt this was a good system and felt that loans should be available to municipalities to enable them to acquire land and to service it. This is the quickest way in which costs can be lowered. It is difficult to set quantities, but something of the order of 10 per cent to 20 per cent cost reduction, if done universally across the country, could be achieved. It would take a considerable investment.

• (9:40 p.m.)

Mr. Woolliams: Would the federal government put up that investment?

Mr. Hellyer: That was the recommendation of the task force.

An hon. Member: What rate would the municipalities be charged?

Mr. Hellyer: I could not say until it becomes a matter of policy. One of the advantages of having it done by the federal government would be having the federal government's borrowing rate, to keep the cost down as much as possible. It was estimated that the investment might go to half a billion dollars after about five years, perhaps somewhere between $400 million and $800 million, but the return to the Canadian people would be fantastic.

Mr. Stanfield: That is what we told you during the election campaign.

Mr. Hellyer: It wasn't a new idea then either, and it could lead to a reduction of $1,000 to $2,000 in the cost of every house built in perpetuity in this country. These are real savings. This is the kind of program which can get the cost of housing down for all Canadians. That, after all, is the object of the exercise. It is something that can be done. It is something that could start to work very quickly if the policy were adopted.

Then, we recommended freeing the interest rate on N.H.A. loans, and I would like to tell the hon. member for Broadview why this was recommended. It was recommended for the reason that I discussed with the hon. member for York South, to make sure that there is continuity. But equally important at the present time is that the present limit of 2¼ per cent above the government of Canada bond borrowing rate is too high.

We had discussions with the banks and insurance companies last summer, and from talking to them I got the distinct impression that they felt it was too high too. The old limit of 1¾ per cent above the government bond rate approved in 1966 proved to be too low, but the new limit of 2¼ points above is too high. Consequently, the rate has been floating at something less than that for the last few months, and as my hon. friend knows the chartered banks are making loans now at 9 per cent, and C.M.H.C. at 9 per cent, which is three quarters of one per cent below the limit.

My own personal belief, and you could not shake me in this conviction although I cannot prove it, is that if there had not been a ceiling on the rate on January 1 then the rate charged by the chartered banks and C.M.H.C. would have remained at 8½ per cent. So I think we are paying half of one per cent more now simply because that ceiling was there by statute.

There is something in the psychology of lending institutions in that they use the government rate in their communications with their customers. They say, "After all, the government set this rate, and we have little discretion in respect to it." If there were not a set rate I, personally, think they would be willing to make loans at somewhere between 1¾ and 2 per cent above the long-term government of Canada average yields. Because of this, I do not agree with the hon. member. I think the Canadian taxpayers would get cheaper money if there were not a fixed ceiling at the present time, and in the long run, and of almost equal importance, through the economies of scale the building industry would be able to achieve as much as a 10 per cent reduction of costs over a period of time. This would be an additional benefit

to the Canadian public as they went out to acquire new or rehabilitated housing.

As has been mentioned on the other side of the chamber, we suggested taxing profits on land to discourage speculation because we felt this was a practice which should be discouraged by every possible means. This is not something directed at the legitimate developer. It is directed at the person who buys land and does nothing with it, who allows his neighbour to bring about improvements, develop the land, and then reaps the benefit. This is an unearned increment, a socially created value which in effect he has not earned. We felt this should be taxed because it is not consistent that people should have that kind of bonus from having done nothing.

Then, we suggested that the red tape should be cut because in our view one of the reasons that housing is so much in short supply, and that the range of choice is so limited, is because of red tape. There are literally thousands of regulations which are nearly all negative in their application. They are like the ten commandments—thou shalt not. They are all negative, they are all restrictive, and in a sense they may prohibit the worst but they also prevent the best. There is no question about it; they make it impossible for the creators to create, for the people with initiative and imagination to introduce new ideas and techniques and pass on the benefit of them to the Canadian people.

Before closing I would like to say a few words on urban renewal and public housing.

Mr. Simpson: May I ask the minister a brief question before he moves on. He has been talking about all the problems that he is confronted with in meeting housing demands, and he mentioned Thompson, Manitoba. The people there realize the difficulty with respect to C.M.H.C. housing funds. However, as the minister probably knows, they are very interested in C.M.H.C. loans for multiple dwellings and high rise apartments. If C.M.H.C. mortgage money is available for high rise apartments in Vancouver, Toronto, Winnipeg, Montreal and other large cities, they cannot see why they are not entitled to at least a share of that type of mortgage money.

Mr. Hellyer: As I told my hon. friend the other day, Mr. Chairman, his representations are duly noted. I am as determined as he is that there will be adequate mortgage money available in Thompson this year to meet the needs of the community and get some of the people out of the basements, because it is not right or necessary that they should live in them. I think there are sufficient funds available to meet that need and I will do everything in my power to make sure that something is done.

Mr. Simpson: You realize, of course, that it is in the field of high rise apartments and multiple dwellings that they are so keenly interested?

Mr. Hellyer: Yes. Having visited the site and looked at the land developments taking place, I realize it is a variety of types in which they are interested. This fits in exactly with the philosophy we have recommended, that there should be a range of choice, and that there should be some rental accommodation for people to move into until they decide they want to buy their own houses. There should be as much range of choice as possible.

Now, on the question of urban renewal, and I am going to have to be very fast, Mr. Chairman—

Mr. Baldwin: You have all day tomorrow.

Mr. Alexander: Let us get pertinent answers, like yes or no.

Mr. Hellyer: A lot of urban renewal funds were going into primarily commercial redevelopments. Some of these projects may have reached the stage where they may have to go ahead now. We will have to look at each one to determine this, but if they have not reached that stage the task force felt they should be postponed until there is a vacancy rate of 3 per cent or 4 per cent in the dwelling accommodation of a city. Then, the housing needs of the people would be met first, and the commercial redevelopment afterwards.

In other words, it is a question of priorities. People's lives should be given first priority and when there is enough housing for everybody so that people do not have to move into parks if their rents are raised, then we can go back and start commercial redevelopment. That is the kind of criteria that hopefully will be applied with respect to urban redevelopment.

Mr. Alexander: I should like to ask the minister one more question, although I do not like to interrupt him since he is doing an admirable job. Is the minister now suggesting

that the municipalities will have to come to the government, and lay their plans before the government in order to see whether they are proceeding in a proper manner and according to the priorities set? I could speak of several cities. One example would be the city of Hamilton which has a dual role with regard to housing and the concentration on the commercial aspect of it. I should like to know whether these municipalities are supposed to get in touch with the minister or will the minister get in touch with them?

• (9:50 p.m.)

Mr. Hellyer: In the case of Hamilton and some of the other municipalities which have made representations, we will be getting in touch with them in a very few days in order to arrange meetings to discuss mutual problems. We will go over each project individually to decide what should be done in respect of it.

In respect of public housing, this is where I received my greatest education while on the task force tour. I had never before been exposed to the views of persons who had lived on the inside of public housing. I had listened to Dr. Rose all my life, and other experts and officials, but I had never had the opportunity of sitting down and listening to the points of view of the people who live in public housing. Some of these points of view were outlined in the report of the task force, and I shall not repeat them tonight. Some were referred to in Dr. Goldfarb's report. They confirm much of what we had learned during our visits across the country. I would not want members of the house to think that these ideas are unique or that we were the first to discuss them. Apparently this is a point of view which is becoming much more widely known. It is becoming a matter of much greater concern in many areas.

In the few minutes remaining I should like to give some further examples of the points of view which were expressed. First, I should like to read from the Halifax submission to the task force. I shall read two paragraphs:

Are our tenants happy in Public Housing?

In certain areas and under certain circumstances "yes", in many more "no".

What are the reasons why they are happy?

1. Some of our "projects" are self-contained row houses, serviced by the tenants themselves and having open areas close by where children can play, off the streets.

2. These "projects" have no stigma attached as they have street addresses, so they are not identified as "project" people.

3. There are no high rise buildings for families with numerous children.

4. Finally, of course, all have decent accommodations that they would never have at their income on the open market.

What are the reasons why some are unhappy?

1. They live in "projects" and their address includes the "project name, thus they live under the stigma of "project" people.

2. They suffer the loss of job opportunities because of the stigma, known everywhere in Halifax, that they are "project" people.

3. They live in walk-ups or high rise buildings where they are unable to control their privacy.

4. They live in buildings crowded on the land in such a way that there is at best very inadequate safe open areas for their children to play.

That was the point of view of the Halifax submission. You will see it is almost identical to the report of the task force in respect of our findings across the country. I wish to refer to another one from Winnipeg. This is what the people of Winnipeg had to say:

Deployment of Public Housing.

Much has been said about the stigma attached to public housing. If such stigma exists, and there are many reasons to think that it does, then its existence is in large measure attributable to the fact that public housing in the form of large projects is readily identifiable as such. This stigma inhibits the integration into the community of the families who inhabit public housing and thereby undermines the desired social rehabilitation of those families residing in public housing who could most benefit from such rehabilitation. Furthermore the concentration of socially and economically disadvantaged families in identifiable public housing projects tends to perpetuate patterns of social behaviour which are not conducive to the betterment of living standards. Under these conditions damaged families are not motivated to strive for self-improvement.

It is our belief that some of these more negative aspects of public housing can be eliminated to a great extent through the discontinuation of large projects and the introduction of public housing deployed throughout different parts of the community. It is not suggested however that a deployment policy of this kind can be carried out indiscriminately and without regard for compatibility in accepted patterns of social behaviour. To suggest that families which have been accustomed to a certain amount of permissiveness in the conduct of their lives should be thrust into a community where fairly rigid standards of social conduct are expected is certainly not realistic.

To give effect to a policy of integrating public housing within selected parts of the community it is essential that small-scale housing developments amounting to perhaps only a few units be built in suitable locations within existing residential districts. The availability of small parcels of land in relatively large numbers is also a prerequisite and it would be an advantage to be able to acquire property of this kind as it becomes available on the market. Very often it would be necessary to acquire and clear on a selective basis property encumbered by substandard development in basically sound residential neighbourhoods.

I should like to give two more examples in the brief time which is available.

Mr. MacInnis (Cape Breton-East Richmond) What do you mean "brief time"? You have been given an extra half hour already, after refusing somebody else the same privilege.

Mr. Hellyer: I did not.

I should like to indicate that the experience in the United States is almost identical. I wish to read from the report of the National Commission on Urban Problems. I admit at the outset that they encouraged continuance of public housing, but in a changed form.

Mr. Gilbert: Why do we not do the same thing?

Mr. Hellyer: That is exactly what we are doing. The quotation is as follows:

> The Commission is most emphatically in favour of continuing publicly subsidized housing for the poor. We vigorously support a wide extension of such housing, although with certain changes of emphasis and administration.
>
> But we do believe that the grave defects which at present afflict public housing should be either cured or greatly reduced. The housing of the poor will, in fact, be helped and not hindered by a frank discussion of these weaknesses. Only in this way can we gain the impetus which is needed for improvement.

Then, a little further on the report continues:

> High-rise projects which may have been inevitable on Manhattan and perhaps necessary near downtown Chicago have been built rather indiscriminately in many cities and sections. In New York and to a certain extent in Chicago, skyscraper living is practised by the well-to-do, and does not single out the poor. It may, in fact, give a certain social prestige to some. But in most cities of the country, high-rise public housing units clearly indicate what they are—large congregations of the poor. They stand out in many communities like so many sore thumbs.
>
> This concentration of large masses of the poor necessarily gives to many of them a pronounced feeling of inferiority in a society that emphasizes material success. The effect is especially marked among children. To a somewhat lesser degree it is similar to what youngsters used to feel and suffer who grew up in the "poorhouses" and "poor farms" of an earlier generation.

The Chairman: Order, please. It being ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

[Mr. Hellyer.]

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

IMMIGRATION—TIMING OF DISTINCTION BETWEEN DESERTERS AND DRAFT DODGERS

Mr. David Lewis (York South): Mr. Speaker, I want to raise as a grievance the policy pursued by officers of the Department of Manpower and Immigration in respect of military deserters, particularly, seeking admission to Canada either as visitors or as immigrants at the border between the United States and Canada.

On a number of occasion other members and I have asked the minister to tell us what the policy was and to indicate whether the policy has been changed and why. I asked the minister whether he would not consider tabling the directive which was apparently issued to immigration officers in July of last year. On Thursday last, as reported at page 6012 of *Hansard*, the minister replied to a question by the hon. member for Oshawa-Whitby (Mr. Broadbent) and said:

> Mr. Speaker, in this case such documents have always been regarded as privileged and by long tradition have not been tabled in the house.

The first point I want to make is that no one, it seems to me, can accept that answer in respect of this particular kind of document. When the Minister of Manpower and Immigration (Mr. MacEachen) or his department issues a directive to officers at the border as to how they are to deal with applicants for entry into Canada, what the minister is doing is issuing a statement of policy. It is surely desirable that the public and members of this house know what that policy is so we may advise those who ask us about it. This is not merely an exchange of a communication dealing with some internal matter which is usually considered confidential. This is either an elaboration of the act or a regulation, or the application of a regulation or a direction to an officer as to who he is to admit or who he is not to admit, what questions he is to ask and what questions he is not to ask.

In short, let me repeat that this is a directive or a statement of government policy with regard to the entry of certain applicants from

the United States to Canada. It has, when issued that way as an instruction to the officer, the force of law. It is in a minor sense legislation for the guidance of those who carry the Immigration Act and regulations into effect. Therefore, I reject the minister's suggestion that this particular directive should not be tabled, and I still importune him to table it. If there is more than one directive, and if directives have been issued over a period of time, he should table them all so all members of the house, indeed the public and those people in the United States who are contemplating coming to Canada, will have public knowledge of what the policy actually is. The minister cannot, in my submission, hide behind the general confidentiality of intra or interdepartmental documents.

I think some shameful things have happened at the Canada-U.S. border. Let me start with the last incident which happened, and which I think was disgraceful and reprehensible to the nth degree. I am informed by many people that not only are military deserters from the United States not admitted across the border, and I will deal with that in a moment, but that in most cases the Canadian immigration officers inform United States officers that a certain person has not been admitted into Canada and that the refusal for admission was based on the fact the individual was a military deserter. I am informed that in numerous cases when the applicants at the border left the Canadian immigration office and went to the United States immigration office they were arrested for having deserted from military service.

Since when have we become the kind of satellite to the large power to the south of us that we make it our concern to act in this way? If these officers are acting in this way without authority from the minister it is about time the minister told them to cut it out. We are not a country of spies for another country, and it is a contemptible thing that any officer of this country at the border should act in that way.

This is not guesswork, this has happened in numerous cases. People have in fact been arrested as they went from our immigration office to the U.S. immigration office because of our refusal to admit them. On what grounds are we doing this?

There is nothing in the act that I have seen, and I have read the act, and there is nothing in the regulations that I have seen, and I have read them, that authorizes an immigration officer to ask any question whatsoever about the military status of anyone applying for entry into this country. The Immigration Act and the regulations set out certain assessment points, as the minister well knows, and the act sets out some very well defined classes of persons who are not admissible. There is not a word in those regulations about military status. May I remind the minister that the history of Canadian immigration is full of people who fled eastern Europe and some other countries in order to evade conscription in those countries because in conscience they could not accept the service which was being forced upon them.

I see no reason whatsoever, except a servile attitude on the part of Canada, for treating American young men who object to fighting an immoral war in Viet Nam differently from the way we treated literally tens of thousands of immigrants all through the years who refused to accept military service in their countries for similar reasons.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the subject matter that has been raised by the hon. member is a very comprehensive one, and it is quite impossible to deal in any detail with the many inferences, suggestions and charges that have been made.

On the question of the tabling of the directive, guideline or memorandum that was issued last July, it is a fact we all know that normally communications within a department are privileged. I said on two occasions, I think, that by long tradition these documents are not normally tabled. I told my hon. friend that I would consider whether in this case a special exception ought to be made to that policy. I am still considering whether it might not be worth while to table the document because the purpose is not to conceal it or to hide behind it. As a matter of fact, I welcome any discussion or suggestions about how we should treat this very difficult and sensitive problem.

My hon. friend spoke about immigration officers in a rather harsh, and I think somewhat unfair, way. I have been trying to find the hard evidence to support the charges that are now so commonly made against officers in the service of Canada. While we have to consider the rights of persons who want to evade the draft in the United States, or indeed we want to understand the motives of people who want to refuse to carry out their military service in the United States, I think also we

should be careful about the rights of Canadian citizens who are serving Canada in the immigration service. My hon. friend spoke tonight about numerous cases of officers who have reported persons to the United States who were subsequently arrested. That is an important charge. I would like to have some evidence. I have asked other persons who have made these charges about cases of arrest, and cases of reporting, to provide the hard evidence, but I have not received it yet. I am quite concerned about it.

• (10:10 p.m.)

It is not the purpose of Canadian immigration officers to act as spies or agents for any power, the United States or any other. In the recent case of the four students who were apparently out to test Canadian policy in practice and who impersonated United States military deserters, it is difficult to know really, in law, in a technical sense, whether these men were really rejected. I think that at one point they may have withdrawn their application. As far as I can determine, and I have gone to some lengths to find, out, these officers did not call their United States counterparts and say: We are turning back some military deserters. As far as I can determine they passed no information with respect to the so-called military status of these persons. I understand that as a matter of routine at the border, when a person is not admitted this information is conveyed to the United States counterpart.

Mr. Deputy Speaker: Order. I am sorry, but the minister's time has expired.

NATIONAL DEFENCE—C.T.B. HALIFAX—PAY ADJUSTMENTS FOR PERSONNEL

Mr. J. M. Forrestall (Dartmouth-Halifax East): The other day I endeavoured to attain some information from the President of the Treasury Board (Mr. Drury) with regard to a situation which has continued to affect many employees at the Canadian Forces Base in Halifax. The best way in which I can shed light on the situation is to quote from two letters involving two different groups, and then perhaps to ask the minister two or three brief questions.

The first letter from which I shall quote is one directed to the Prime Minister (Mr. Trudeau)—it is one of a series of letters going back several weeks. This one is dated February 10 and it refers to renegotiation of certain contracts for labourers and helpers at the Forces Base in Halifax. I shall refer briefly to the second part of the letter because it has something to do with the overall question, that is, the wages of actual workers.

> Recent negotiations for wages in the General Trades and Labour Group, Zone No. 7 resulted in a considerable number of employees left out of the actual collective bargaining negotiations.
>
> The employer by accident or design did not provide the negotiators with the total number of employees in each classification and as a result this affected the asking price—

I interpret those last words to mean "bargaining price"

> —for these employees at the bargaining table. Further, these employees were not notified that they had a classification or level until after ratification was completed. These incidents were contrary to Bill C-170 Section 2, Sub-section (m), Sub-paragraph (VI).
>
> Labourers and trades helpers have written grievances in respect of this matter.

In summary, these representations were turned down in a memorandum dated February 12, the reason given being that the way in which a contract had been negotiated was not a proper subject of a grievance.

The essence of the difficulty which appears to be developing at the dockyard at Halifax is to be found in the following: The total number of labourers negotiated for was 52. The total number of trades helpers negotiated for was 39. The actual number of labourers employed and eligible under the act was in excess of 120. The actual number of trades helpers employed and eligible under the act was in excess of 62. In other words, a total of 182 as opposed to 91 was actually the subject of bargaining. This meant that these employees were given arbitrary wages based on negotiated wages which were inferior to what they would have received if their numbers and pre-1966 wages were available to the negotiators at the time of bargaining.

That is the essence of the point. Approximately 200 of these men are now being told there is no possibility of re-opening negotiations under these contracts until such time as the contracts automatically come up for review and renewal.

The second point that I will deal with briefly involves those employees that are casuals, those employed on a casual basis of six months or less. The only point that is of real continuing concern to the men at C.F.B. Halifax is the impact felt by a labourer or trades helper who, because of a compensatory accident, is laid off and then returns to work. There have been several instances where,

although they were originally permanent employees in a sense prior to the compensatory accident, they were rehired at the casual rate, which consequently carried a much lower rate of pay.

The net result of these two situations is that at C.F.B. Halifax at the present time there are five different rates of pay for labourers. I know the minister is aware of certain communications from the Dockyard Trades and Labour Council on other matters that might be an omen of difficulties to come among the workers at the yard. But I want to stress the great urgency of reconsidering the opening up of these contract negotiations.

Over the last two and a half years my former colleague in what was then the dual riding of Halifax, now the hon. member for Halifax-East Hants, the present Leader of the Opposition, and I found ourselves deeply involved in these continuing problems as a result of representations from virtually each of these men individually. It is a matter of regret that the present situation still prevails. I suggest it will lead to a very serious decline in morale, and I do not want to predict that it might even lead to a more serious reaction within the work force at the yard in Halifax.

I think these men are entitled to be told why they were summarily rejected at the fourth level of the grievance procedure. It would appear to anybody who has been following the situation that this indeed is a proper subject matter for grievance. In fairness to these men, their families and to the general morale of the work force at C.F.B Halifax the minister should seriously consider reviewing the present situation, with the very definite object in mind of reopening contract discussions. Failing that, if that is not possible—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

• (10:20 p.m.)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as I understand it, the hon. member's question, representation or plea, was with respect to a contract only recently completed. He asks that the matter should be reopened or renegotiated. I think the hon. member will appreciate that, as we are already behind schedule, the government is doing its best and is being exhorted to do even better in concluding the first round of contract negotiations. Therefore, reopening a contract that has just been completed represents, in the ordinary course of events, not only an instability in the whole bargaining process, but something that is inherently undesirable. Such action would impose very great difficulties on the timetable we have tried to observe in getting the first round of negotiation with literally scores of bargaining units completed. I am not personally aware of the circumstances surrounding the situation the hon. member has alluded to but I have taken note of his remarks and will look into the matter. I would be less than frank, however, if I were to appear to hold out any hope that reopening a contract just signed in order for it to be renegotiated is a procedure that is likely to be undertaken.

Mr. Forrestall: Then, you will have a strike on your hands.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, March 4, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

DOMINION-PROVINCIAL RELATIONS

STATEMENT RESPECTING OFFSHORE MINERAL RIGHTS

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on December 2 I announced in the house certain steps being taken by the government and certain proposals being made to the provinces with respect to offshore mineral rights. At the same time I issued maps showing the location of mineral resource administration lines off the east and west coasts, and stated that similar lines would also be drawn in the regions of Hudson Strait, Hudson Bay and James Bay, together with a line defining the boundary between submerged lands adjacent to the provinces and those adjacent to the Northwest Territories and Arctic islands.

I am pleased to announce today that these lines have now been drawn, and I am issuing at this time a map showing their location.

[*English*]

As stated in my earlier announcement, the federal government will continue to administer and manage the mineral resources on the seaward side of the mineral resource administration lines. The coastal provinces are being offered the opportunity to administer all the offshore mineral rights on the landward side of these lines, and the federal government is prepared to concede to them the revenues derived therefrom. Furthermore, should this proposal prove acceptable to the provinces, we would in addition be disposed to place half the revenues accruing from the mineral resources seaward from these lines in a single national pool to be shared among the provinces on some basis acceptable to them.

[*Translation*]

I have sent to the Premiers a copy of today's statement as well as the new mineral resource administration lines map for the Hudson Bay-Hudson Strait region. I have been pleased with the general response thus far to my announcement of December 2. In particular, a number of oil companies are now proceeding with major programmes of exploration offshore and they seem to have obtained the necessary confidence to do this from the positive statement of federal policy. I hope and believe that we should now be able to work out with the provinces the details of financial and other arrangements to implement these proposals.

Some hon. Members: Hear, hear.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this matter, of course, has a considerable background in terms of federal-provincial relations. The government of Canada sought a legal opinion from the Supreme Court of Canada on the legal rights to minerals off the west coast of the country. The government of Canada having announced it was proceeding with this reference, there were discussions of the matter at federal-provincial conferences at that time. The then Prime Minister of Canada gave the provinces the assurance, upon the legal opinion being obtained, that the question of offshore mineral rights would thereafter be discussed with the provinces.

Therefore, there are two questions that immediately occur to anyone. The first question is whether the legal decision with regard to rights off the west coast is equally appropriate to the offshore rights off the east coast. There are a number of provinces that have argued very vigorously that this is not the case. The legal position regarding mineral rights under Hudson Bay is, of course, recognizably in a quite different category. I do not think the provinces have ever claimed any legal right to the minerals under Hudson Bay.

• (2:10 p.m.)

In my view, regardless of the merits of the government's position or of the outcome of any eventual negotiations or discussions, the government's method of proceeding constitutes a breach of the assurance given by the former prime minister to the provinces. I am convinced that the result of that breach will

be a further deterioriation in the relations between the federal government and some provinces. The unnecessarily inflammatory statement was made at a time when every effort ought to be directed towards making federal-provincial relations as cordial and even as possible. I therefore again deplore the manner of the government's proceeding, which is bound to result in a further deterioration in federal-provincial relations.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Prime Minister's proposal seems a reasonable basis for negotiations. However I cannot help wondering if that statement was made without any prior consultations with the provinces; or is it the result of consultation with the provinces, and is this proposal their general consensus of the matter?

It seems to me that matters of this sort that have been the subject of controversy for a considerable period really cannot be settled by pronouncements from the throne. They ought to be settled by negotiations and discussions, in order that some consensus may be reached that is acceptable to the federal and provincial governments. If the provinces have not been consulted, then I hope the Prime Minister's statement is merely the basis for discussion rather than a final decision. I also hope the Prime Minister will be prepared to go one step further and tell us how this matter may be dealt with in a practical way. Unfortunately pools of oil and mineral deposits know nothing about lines drawn on maps. Often the only way to develop these resources is to unitize an entire oil field or mineral deposit. Joint action by the federal and provincial governments may be necessary to unitize an area in order that it can be developed to the maximum extent. I therefore hope the government will be prepared to sit down with the provinces and discuss the unitization of mineral and oil resources. I also hope that as the result of today's statement the Prime Minister and his ministers will follow up this matter so that some agreement may be reached. The matter has been long outstanding and the sooner a settlement acceptable to all parties concerned is reached, the sooner the areas in question will be developed.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the proposal made by the Prime Minister may have happy results if it is the basis for open and fruitful discussions.

[Mr. Stanfield.]

However if it is a final decision, that is if the federal government position is not negotiable, I want everyone to know that we will stand up for Quebec's interests. Quebec values the integrity of its territory like the apple of its eye. For some years, the provincial government has been taking more and more responsibilities in that respect. At a time when Quebec does not have enough financial resources, it is most important that it keeps the whole of its revenues accruing from its natural resources.

Understanding and generosity will have to be displayed towards Quebec if there is to be no more useless squabble between both government levels.

[*English*]

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

ADJUDICATION ON PROBLEMS OF MORALE—CURTAILMENT AND DELAY IN DELIVERY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, yesterday I had a question for the Postmaster General who was absent on official business. I have no doubt he is aware of the announcement issued on Friday by the council of the Postal Union denying his earlier statement regarding the morale in the Post Office and describing the situation as explosive. Will the minister say whether he intends to take any action either to provide for third party adjudication of the problems, or for some other action that will stop the steady deterioration in this department?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, members of the opposition insist on speaking of a steady deterioration in the morale of the Post Office. I know of no such deterioration. I see these statements from time to time, Mr. Speaker, and they do become expanded. There is no explosive situation either in Montreal or Toronto relating to the letter carriers or to the postal workers themselves.

A part of the statement made by the council mentions among other things that I was losing part of the gains by employing 500 supervisors. I may say there have been no additional supervisors employed since I took over this department. Over a year ago some 200 were budgeted for other purposes by my

predecessor. It is in this way that many of the changes taking place come to be expanded, particularly by members of the opposition.

Mr. Stanfield: A supplementary question, Mr. Speaker. The minister did not answer my question and I have no right to persist in asking for an answer. I simply point out he did not answer my question. I would like to ask him whether his attention has been drawn to the instructions given by the unions to their members, which are described as the unions' interpretation of the collective agreement. If so, does the minister propose to take any action in this connection?

Mr. Kierans: Yes, my attention has been drawn to those instructions and in due course the attention of the leaders of the union will be drawn to the instructions which they have issued.

In direct reply to the question asked by the Leader of the Opposition, I would like to say there is no necessity for third party adjudication when explosive situations do not exist.

Mr. Stanfield: Yesterday I tried to get the Minister of Labour to offer his advice to the Postmaster General, but he was more modest. I would like to ask the Postmaster General a question arising out of the statement of the council of the Postal Union, that mail service is deteriorating and inefficiency is fast becoming a new guide of operation. I would think these men would be in a position to know. Will the minister today or on motions at a very early opportunity tell the house what action he actually proposes to take with regard to this deterioration?

Mr. Kierans: I have been very frank, Mr. Speaker, in admitting that in the triangle of Ottawa, Montreal and Toronto the physical facilities are what they were 20 years ago when this department was handling roughly one-half of the mail presently being handled. I said in the cities of Montreal and Toronto in particular that facilities have to be modernized, and the people working there would have to be given acceptable working conditions and the latest in automatic equipment. We are aware of this and are conducting many studies, Mr. Speaker, seeking to eliminate as much as we can the delays which are occurring.

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. I have a specific question for the Postmaster General. Can the minister explain why within the last month delivery of mail to Toronto has slowed down and that as much as four to five days is now required for the delivery of a first class letter?

Mr. Kierans: The majority of mail is delivered, Mr. Speaker, as it was formerly. Last week, for example, a person was kind enough to tell me that a letter posted in Hamburg on a Monday morning was delivered on Tuesday morning in Montreal.

An hon. Member: That is humbug.

Mr. Kierans: I will give you the postmark.

An hon. Member: I will give some too.

Mr. Speaker: Order, please.

Mr. Kierans: The majority of the mail is delivered on time but a great deal of it is not, which I frankly admit. What I would like to point out, however, is that in the last six months a great deal of attention has been drawn to the Post Office, and people who now pay more for the services that they previously received are quite apt to question those services, and quite rightly so. Therefore—

Mr. Speaker: The hon. member for Edmonton West on a supplementary.

Hon. Marcel Lambert (Edmonton West): If there is no unrest among the postal workers, how about the minister's restoring some rest and confidence in the public paying for the service; and in particular would he advise businessmen, whose deliveries have been cut back not only to five days a week but to one delivery per day in many sectors, not only in Toronto and Montreal but in many cities of Canada, what he intends to do?

Mr. Kierans: The business delivery is normally twice a day, Mr. Speaker; and where it is only once a day, if the businessmen of that community want it twice a day they have only to advise me.

Mr. Lambert (Edmonton West): Come, now; come off your high and mighty!

Mr. Speaker: Order. I believe the Chair should now recognize the hon. member for Nanaimo-Cowichan-The Islands, and if there is time later I will return to other hon. members who would like to pursue this matter.

Inquiries of the Ministry

FINANCE

STATEMENT ATTRIBUTED TO MINISTER RESPECTING FOREIGN INVESTMENT IN CANADA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Prime Minister a question regarding the speech made in Washington yesterday by the Minister of Finance, which I assume the Prime Minister saw prior to its delivery. Since the Minister of Finance invited continued capital investment from the United States, without stating any conditions as to the exercise of extraterritorial rights by parent companies and the effects of American guidelines requiring subsidiaries in Canada to return a percentage of their undistributed profits to the United States, may I ask if this statement represents the government's policy with respect to foreign investment in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I confess I had not seen the speech. The mails were a bit slow in bringing it to me.

Some hon. Members: Oh, oh.

Mr. Trudeau: Perhaps it might be unfair to comment on it too fully, but I think it is obvious that the minister stated part of the government's policy. However, he cannot put everything in one speech.

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As a supplementary question may I ask the Prime Minister whether the government has discarded the recommendations of the Watkins report regarding a state trading corporation and a government agency to supervise the operations of wholly owned foreign subsidiaries doing business in this country?

Mr. Trudeau: We have not discarded those recommendations, Mr. Speaker. We are still in the process of seeing what aspects of that report can be implemented.

Mr. Douglas (Nanaimo-Cowichan-The Islands): As a further supplementary question may I ask whether the Prime Minister would avail himself of an early opportunity, on motions, to state what action the government proposes to take regarding the recommendations in the Watkins report?

[Mr. Speaker.]

INDIAN AFFAIRS

THE PAS, MAN.—ADMINISTRATION OF HEALTH SERVICES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have an urgent question for the Minister of National Health and Welfare. However, in his absence I should like to direct it to the parliamentary secretary, with a request that possibly the minister could answer it upon his next appearance in the house. Has the minister received a letter or other representation from Chief Gordon Lathlin of The Pas Indian band making two specific requests concerning the administration of health services to members of his band? If so, I should like to ask the minister when he will be in a position to answer these requests.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to take this question as notice, in order to submit it to the minister who will probably answer it tomorrow or on a day when his presence is required in the house.

[*English*]

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. In the hope that his department might be able to bring about a fair settlement of the dispute, is the minister's department investigating the picketing of the Indian health clinic at The Pas, and the charge by the Chief there that the supervisor has discriminated against Indians.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of that matter; but I will inquire immediately and I hope to be in a position to answer at the next sitting of the house.

[*English*]

NATIONAL PARKS

BONNE BAY, NFLD.—REQUEST FOR REVIVAL OF SURVEY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary for the same minister. In the light of the representation made to his department from the province of Newfoundland over the week end—

Mr. Speaker: Order, please. This is not a supplementary question. However, I will allow the hon. member to put his question, due to the circumstances.

Mr. Marshall: In the light of the representation made to his department from the province of Newfoundland over the weekend, will the minister advise if he will accede to the request of the province to restart survey work on the proposed National Park at Bonne Bay immediately.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have been told about that request and we are now considering it. We hope to be in a position to settle that conflict satisfactorily.

[*English*]

NATURAL RESOURCES

NEWFOUNDLAND—MINERAL AND FISHING RIGHTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Prime Minister and is in relation to the statement he made in the house today on motions. Has the government of Canada concluded negotiations with the government of France regarding offshore mineral rights, and fishing rights off the south shore of Newfoundland?

Right Hon. P. E. Trudeau (Prime Minister): No, we have not concluded such negotiations.

[*Translation*]

EXTERNAL AFFAIRS

POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Prime Minister.

Following the rumors circulating in legal circles in Montreal, and after the publication over the week-end of certain newspaper articles revealing that some members of the Diplomatic Corps might be involved in some kind of narcotics traffic, can the Prime Minister tell us if he is aware of those incidents and whether the Minister of Justice or the officials of that department have briefed him on that matter?

Mr. Speaker: The hon. member will recall that his question has already been asked.

[*English*]

WEST GERMANY—POSSIBLE CONFRONTATION ARISING FROM ELECTION OF PRESIDENT

Right Hon. J. G. Diefenbaker (Prince Albert): My question is for the Prime Minister. Within the limitations of security, what initiative is Canada, as a member of the North Atlantic Treaty Organization, taking in connection with the potential confrontation in West Berlin, to endeavour to bring a halt to the slide downhill? What representations have been made and has there been any discussion between the Prime Minister or the Secretary of State for External Affairs and the ambassador of the U.S.S.R. in this connection?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there have been no discussions involving myself, but I cannot speak for the Secretary of State for External Affairs. Perhaps it might be best to ask him when he is in the house tomorrow.

Mr. Diefenbaker: Mr. Speaker, tomorrow is the zero day so far as Berlin is concerned. Has the Prime Minister no knowledge regarding initiatives having been taken?—for after all this is one field in which the Prime Minister has an overriding prerogative.

Mr. Trudeau: Well, if tomorrow is zero day I would have thought the right hon. gentleman would have thought of asking the question yesterday, when the minister was here.

An hon. Member: Why don't you grow up.

Mr. Diefenbaker: Mr. Speaker, on a point of order, the facetiousness of the Prime Minister with regard to a question as serious as this is not in keeping with his position. In view of the fact that there appears to be a selective judgment in respect of information supplied to the parliament of Canada regarding the future of people all over the world, does the Prime Minister not think it necessary to supply some information, even though he has been away from international affairs for the past two days?

Mr. Trudeau: Mr. Speaker, I want to assure the right hon. gentleman and parliament that I am not denying them any information. I do not have any information whether there has been any contact with officials in Berlin.

Mr. Diefenbaker: The minister refuses to give the information. Is there an acting secretary of state for external affairs, or will the President of the Privy Council, who is making silent grimaces at the moment, make an explanation?

Mr. David Lewis (York South): Mr. Speaker, in view of the very serious developments that have taken place in the last 24 hours, as reported in the press this morning, can the Prime Minister inform the house whether any members of the NATO organization were consulted about the decision to have an election of the West German president in West Berlin or was the decision made by West Germany alone, or was it made in conjunction only with one of the occupying powers?

Mr. Trudeau: Mr. Speaker, I would be glad to refer the question to the Secretary of State for External Affairs.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister, with the same earnestness with which I assume he is dealing with this important situation, that he bring this matter to the attention of the Secretary of State for External Affairs, urging upon him to make representations to the powers directly concerned with the situation, that they should not be ready to escalate it to a more dangerous point than it has now reached?

Mr. Trudeau: Mr. Speaker, I should be glad to convey the urgency of the matter, as expressed by the hon. member of the N.D.P. to the attention of the minister.

NATIONAL DEFENCE

NATO—TASK FORCE RECOMMENDATION AS TO PARTICIPATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister to confirm that the government has now received a report from the federal task force studying our future relations with Europe and our defence policy, and that the report recommends that Canada continue its partnership with NATO.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the task force report is an internal document, and until such time as we decide to publish a white paper or make the report public, it is a secret document.

An hon. Member: The press has it.

[Mr. Trudeau.]

[*Translation*]

NATIONAL CAPITAL

REQUEST THAT HULL BE PART OF FEDERAL CAPITAL

Mr. Gaston Isabelle (Hull): Mr. Speaker, if a few questions on Canada are allowed, I would like to ask one of the Prime Minister. The western region of Quebec, and more particularly that of Hull, has just been stabbed in the back by the government of Quebec and once again forgotten, this time when the faculty members of the University of Quebec were chosen. Does the government of Canada consider amending clause 16 of the Constitution in order to add the name of Hull to that of Ottawa, so that this part of Quebec threatened by economic suicide could become part of the federal capital of Canada?

Mr. Speaker: I doubt whether the hon. member wishes the Prime Minister to make a statement in reply to his own.

Right Hon. P. E. Trudeau (Prime Minister): The matter was discussed at the federal-provincial conference, and I shall take into account the hon. member's important representations at the next negotiations.

[*English*]

HIGHWAY SAFETY

RECALL OF GENERAL MOTORS PRODUCTS TO EXAMINE SUSPECTED DEFECTS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question which relates to the recall of a large number of motor vehicles in the United States and in Canada for checking of faulty carburettors. In the United States this recall is being supervised by the federal government. Is the Minister of Transport or anyone in his department supervising the recall procedure in Canada?

Hon. Paul Hellyer (Minister of Transport): No, Mr. Speaker, not to my knowledge. We have no authority at the present time to do this. As I indicated to the house the other day, under certain conditions a satisfactory arrangement was made with General Motors to see that all faulty cars are repaired to satisfactory requirements. I hope that in the not too distant future it will be possible to present legislation which will govern automobile standards at the point of manufacture, or importation into Canada. If that legislation provides for direct supervision, this will be exercised by the government at that time.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to ask the Minister of Transport whether his department has made any investigation into the complaints of last fall, that automobile manufacturers were over-pricing on the cost of manufacturing and installing automobile safety devices.

Mr. Hellyer: Mr. Speaker, pricing would not be our primary concern. We are concerned primarily with safety. If my hon. friend is interested in the price of automobiles or components, it would be better to direct his question to the appropriate department.

Mr. A. D. Hales (Wellington): Mr. Speaker, when the Minister of Transport is bringing in this new proposed legislation, will he make sure that legislation for safety is the same on both sides of the border?

Mr. Hellyer: To the extent it is possible, I think it is desirable from the standpoint of the manufacturers to have the same regulations in respect of safety on each side of the border. I do not think, however, that the parliament of Canada would want to limit itself to those safety features which have been approved in the United States. If we pass legislation I should think we would require authority to regulate standards different than those in the United States, if we felt those imposed by the government of the United States were not satisfactory for application in Canada.

POWER

URANIUM CITY—ELECTRICAL SERVICE SUPPLIED BY UTILITY COMPANY

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, in view of the widespread dissatisfaction with the high cost and poor quality of the service offered residents of Uranium City by the private utility company presently supplying electricity to the area, can the Acting Minister of Energy, Mines and Resources say whether Eldorado Nuclear Limited, the Crown corporation primarily concerned with the development of the community, has considered taking over this service directly, itself, or alternatively, using its considerable local influence to get the service improved?

Mr. Speaker: I would suggest to the hon. member that this question should be discussed at the time of adjournment.

Inquiries of the Ministry

GRAIN

TESTING OF SAMPLES FROM FARM DRYERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the fact there have been reports that the Board of Grain Commissioners in Winnipeg have been unable to deal promptly with grain samples received from farm dryers and return reports promptly to those operating these dryers, will the Minister of Agriculture investigate and, if necessary, take what steps are needed to correct this situation?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am aware that there has been a very significant increase in the number of samples coming in to the Board of Grain Commissioners for testing. Because the drying operators need to know as rapidly as possible whether the grain is of milling and baking quality, we are trying to meet the demand as quickly as possible.

I should also like to say because of the increased number of samples coming in with the use of more dryers, and the improvement in weather conditions, we can assume a much larger volume of grain is being dried on farms.

Mr. Gleave: Can the Minister assure the house that these terminals will report promptly the results of grain sampling?

Mr. Olson: Every effort is being made to get the information back to the farmer or operator as rapidly as possible.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the Prime Minister.

It was reported yesterday that some paintings stolen from the late Maurice Duplessis' collection had been offered to the Postmaster General's wife. May I ask the Prime Minister whether he will make an inquiry to find out if the same offer was made to other members of his cabinet?

[*English*]

Mr. Speaker: Order, please.

NATIONAL DEFENCE

CONSOLIDATION OF ARMED FORCES BASES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the

Minister of National Defence. Has the government completed its examination of the study made by the Department of National Defence into the consolidation of Canadian Armed Forces bases? If so, is the minister in a position to advise us as to the regions which could be seriously affected by the change of status of any of those bases?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, as I have indicated previously, the study has been terminated for some time now, and the department is preparing submissions for the cabinet concerning the eventual dispensation of some of the bases of Canada.

Mr. Hees: A supplementary question, Mr. Speaker. When the minister presents his recommendations to the cabinet, would he please keep in mind the serious effect that any re-slating of responsibility would have on the camp at Picton?

Mr. Speaker: Order, please.

NATURAL RESOURCES

OIL DRILLING—STEPS TO PREVENT DAMAGE TO FISHERIES AND WILDLIFE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker. When the minister presents his Acting Minister of Energy, Mines and Resources. My question emanates from the announcement made today by the Prime Minister. Are any restrictions planned with respect to undersea oil drilling similar to those in the United States, in order to prevent possible oil spillage damage to our fisheries and wildlife?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I am happy to assure hon. members that regulations already exist which assure safety in drilling. The requirements in respect of the depth of casings of approved wells in Canada are very extensive. Therefore there has been significant safety in respect of all drilling that has taken place. These safety precautions exist already in the regulations.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Have these regulations been discussed and worked out with the provinces so that there will be some general arrangements, some universality, about the regulations, even under the measures proposed by the Prime Minister?

[Mr. Hees.]

Mr. Lang: Mr. Speaker, I look forward to these discussions and have no doubt that in this matter, as in matters of unitization referred to earlier, discussions and negotiations with the provinces will be very easy.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Have there been no discussions to date?

Mr. Lang: There have been no discussions about concrete issues of co-ordination, beyond and behind the resource administration lines, since those lines were announced.

EXTERNAL AFFAIRS

BIAFRA—BOMBING OF CIVILIAN TARGETS BY NIGERIA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Prime Minister. Inasmuch as the British Foreign Secretary, Michael Stewart, summoned the Nigerian High Commissioner in London yesterday to express the British government's anxiety about reports of Nigerian bombing attacks on civilian targets in Biafra, in order to supplement this British initiative will the Canadian government inquire into the matter and reinforce the British government's representations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have discussed this matter with the minister, and I am sure he will be in a position to say by tomorrow whether any action has been taken.

Mr. Nystrom: A supplementary question, Mr. Speaker. Because of the widespread demands by members of parliament in Britain, and the press and public, to re-examine British foreign policy regarding the shipment of arms to Nigeria, will the Canadian government now consider asking the British government not to ship arms into Nigeria?

Mr. Trudeau: Mr. Speaker, I have stated before that we made this representation to the British government. I have stated it publicly, and I have stated it privately. Now that the hon. member says the public in Britain is pressing the government in that sense, it would seem to me there is no need for those of us on our side to intervene.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Do I understand that the Prime Minister is now saying his government has

made representations to the British government urging the government of Britain not to ship arms to Nigeria-Biafra, whereas I understood previously that the Prime Minister had simply indicated that it was the view of the government of Canada that it would not ship such arms, and generally that other countries should not? Am I to understand from the Prime Minister now that specific representations were in fact made to the British government urging it specifically not to ship arms to Nigeria?

Mr. Trudeau: Mr. Speaker, I stood up in this house and said that we disapprove the shipment of arms by any country—

An hon. Member: You say "any country". That is not the same.

Mr. Trudeau: It is not the same, eh?

Some hon. Members: No.

Mr. Trudeau: I do not see any great difference. If I say "by any country", it certainly includes the United Kingdom, because that is a country.

Some hon. Members: Hear, hear.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question to the Prime Minister, Mr. Speaker. Since it is quite clear that the Prime Minister has said the government communicated with the United Kingdom government—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Would the hon. member ask the question.

Mr. MacInnis: Again, on the same point of order, Mr. Speaker, I have made the remark before and I make it again: If the bums and idiots want to keep it up, I will outwait them. I was saying that the Prime Minister has indicated that the Canadian government has communicated with the government of the United Kingdom. Would the Prime Minister table that communication?

Mr. Trudeau: It would be a little difficult to table, Mr. Speaker, because I made the representations verbally when I met the Prime Minister of Great Britain—

Some hon. Members: Oh, oh.

Mr. Trudeau: Now, where are the bums this time?

Some hon. Members: Hear, hear.

Mr. Nielsen: You told them in London where the bums were.

[*Translation*]

POST OFFICE DEPARTMENT

ROD SERVICE CONTRACT CANCELLATION

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Postmaster General.

Would the Postmaster General tell the house why he has cancelled the contract of Rod Service Limited in Montreal, and also if that company will receive compensation for this breach of contract?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I had a meeting with the owner and the management of Rod Service Limited yesterday. We have signed a contract and we shall acquire a number of vehicles. Moreover, as of March 15, we shall assume mail delivery in the Montreal metropolitan area.

Mr. Asselin: Mr. Speaker, I wish to direct a supplementary question. Could the minister tell the house whether the whole staff of Rod Service Limited will be able to get jobs in the Post Office Department, since they are losing their present jobs and are now unemployed?

Mr. Kierans: Mr. Speaker, I have already issued a press release in which I made some details clear. We are going to hire most of the drivers who wish to work for the federal government. As to the others, we shall offer them part-time jobs and in the meantime we shall meet the Minister of Manpower and Immigration, with a view to offering those people a retraining course should they wish to take advantage of it.

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a point of order. I rise to welcome the hon. member for Edmonton-Strathcona. I am glad to hear that he preaches the same doctrine as his colleague the hon. member for York East.

WATER RESOURCES

BOW RIVER—DUMPING OF RAW SEWAGE AT BANFF

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, can the Minister of Indian Affairs and Northern Development advise

whether the government has reached any decision with regard to curtailing the dumping of raw sewage into the Bow River at Banff?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the officials of my department have been advised to start elaborating immediately a program respecting the establishment of a sewage treatment plant on the urban site of Banff. We hope its construction will be terminated toward the end of 1970.

We also know that there are similar needs in Jasper national park and we hope that a sewage disposal plant will be built in the town of Japser as early as 1971.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, I ask the Minister of Indian Affairs and Northern Development a supplementary question arising out of his use of the word "immediately" in connection with the pollution problem. Will he act with the same dispatch with respect to such items as the Indian Claims Commission?

POST OFFICE DEPARTMENT

COMPENSATION FOLLOWING CLOSING OF RURAL OFFICES

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is relative to the one asked earlier of the Postmaster General, by the Leader of the Opposition, regarding postal services. In light of the minister's recent statement that some 3,500 small, rural post offices would be closed as an economic measure, what compensatory action does the Postmaster General intend to take to alleviate the consequent serious problem to the thousands of postmasters on being relieved of their jobs?

Mr. Speaker: I suggest to the hon. member that the problem he is bringing to the attention of the house is very general in nature. Perhaps he should ask the minister whether a statement on motions will be made on the subject.

Mr. Southam: This is a matter of great urgency, Mr. Speaker, not only to the postmen taken out of service but to the customers themselves in western Canada.

[Mr. Sulatycky.]

EXHIBITIONS

EQUALITY IN DISTRIBUTION OF GRANTS

Mr. J. H. Horner (Crowfoot): I should like to direct a question to the Prime Minister, Mr. Speaker. Is the government developing a program of grants or aid to exhibitions and fairs which would be available to all parts of Canada on an equal basis?

Right Hon. P. E. Trudeau (Prime Minister): This is under consideration, Mr. Speaker.

Mr. Horner: I see the Prime Minister is conferring with the Minister of Agriculture. Will the right hon. gentleman instruct the Minister of Agriculture to remove the freeze on loans to exhibitions and fairs which was imposed some five years ago by a former minister of agriculture?

FISHERIES

SEALS—COMPENSATION UPON DISCONTINUANCE OF HUNT

Right Hon. J. G. Diefenbaker (Prince Albert): This question is directed to the Minister of Fisheries, Mr. Speaker, and it has to do with the approach of the seal kill. First, I should like to compliment the minister on what he has already announced.

In view of the descriptions of seal killing which appear in many newspapers in the United Kingdom, France, West Germany and other countries, indicating that the conscience of humanity is being aroused, is the hon. gentleman giving consideration to ending this hunt and substituting something in the nature of assistance to those who have in recent years made at least a portion of their living through the killing of seals?

Hon. Jack Davis (Minister of Fisheries): My answer to the right hon. gentleman has to be this: I have not as yet personally seen the seal fishery. I am going down at the end of this week to see it at first hand. Representatives of humane societies in various parts of the world will be there also. We shall review the situation and after this season is over and in consultation with other members of the government we shall decide what to do about the hunt in 1970.

Mr. W. B. Nesbitt (Oxford): Is it a fact, as reported by the C.B.C. at noon today, that 2,500 seals were brutally slaughtered last night and this morning before the season was even started?

Mr. Speaker: The hon. member cannot properly ask a question in those terms, but perhaps to save time the minister might be allowed to reply.

Mr. Davis: I have not been advised to that effect but I shall certainly look into the allegation.

Mr. James A. McGrath (St. John's East): Before any decision is taken in this regard, will the minister take into account the importance of this industry to the fishermen of Newfoundland?

Mr. Davis: That is a very important consideration, Mr. Speaker.

Mr. John Lundrigan (Gander-Twillingate): Will the minister give the house an assurance that he will approach his investigation, and I am sure he will, with an open mind to avoid conclusions drawn by a lot of people who don't know the hell of what they are talking about?

Some hon. Members: Oh, oh.

Mr. Lundrigan: On a point of order, Mr. Speaker, I should like to clarify my position, which has been grossly misrepresented.

Some hon. Members: Oh, oh.

Mr. Lundrigan: There has been an indication from the Minister of Fisheries that there is a possibility of the seal fishing being ended. All I am saying is that the investigation should be conducted without any prejudice, one way or another, likely to affect the decision in advance.

[*Translation*]

CRIMINAL CODE

OPPOSITION OF ORGANIZATION TO AMENDING BILL

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Prime Minister.

Has he received from the Central Conference of Priests copy of a resolution to the effect that that organization, which comprises 3,250 English-speaking Catholic priests from Ontario and Quebec, is against the adoption of Bill C-150 in its present form?

Mr. Speaker: I suggest to the hon. member that his question relates to legislation before the house at present, and in my view it should be raised during the debate on the said legislation.

[*English*]

EXTERNAL AFFAIRS

THE SICOTTE CASE—POSSIBLE ABUSES OF DIPLOMATIC PRIVILEGES BY CANADIANS

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Prime Minister, Mr. Speaker. I wish to ask him whether he will be kind enough to answer questions put to the Acting Prime Minister on Friday and again yesterday.

Right Hon. P. E. Trudeau (Prime Minister): Does the hon. member wish to ask them, Mr. Speaker?

Mr. Fairweather: I asked the Acting Prime Minister on Friday, and again yesterday, about an independent judicial inquiry into the Sicotte case, and I received an assurance that the question would be passed on to the Prime Minister.

Mr. Speaker: The hon. member for Greenwood.

Some hon. Members: Oh, oh.

Mr. Speaker: Hon. members will realize that I am trying to be helpful, in the sense that we have already by a few minutes gone beyond the time allotted to questions. I was trying to ensure that a few additional members might ask questions, while this one was being considered on the government side.

Mr. Fairweather: I do not often rise on points of order, Mr. Speaker, but I do now. I have sought with a good deal of care during the past week to raise a matter which I consider to be of fundamental importance to the integrity of one of the finest public services in the world, and I would expect by this time to have an answer from the right hon. gentleman.

Mr. Trudeau: I did discuss this matter with the minister under whose jurisdiction the problem might fall, Mr. Speaker. There have been answers given in the house and the Solicitor General has told the house what aspects of the case he has considered. He has referred to the fact that one person, who is not a public servant, is now before the courts, I think in two respects. I know of no way in which the public interest is damaged by the present situation. There are certain aspects of the case about which I have sought information and with regard to which I have not yet received an answer, but I see no reason for the government to make a statement. I note

that the aspects of the case which might interest the house have already been dealt with by the Solicitor General.

[*Translation*]

NATIONAL DEFENCE

MISSILE SITE IN WINDSOR AREA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of National Defence.

Would the minister give us an answer today to a question that I put to him a few days ago about the location of an antiballistic missile centre in the vicinity of Detroit?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I believe that, at that time, the hon. gentleman asked me whether I had any comments to make about an American official's statement with regard to the eventual location of an anti-ballistic missile centre in the Detroit area. I said that the Canadian government policy had been clearly stated at the time of the renewal of the NORAD agreement, when the Secretary of State for External Affairs indicated that Canada was not participating in the installation of an A.B.M. centre. So, I do not see how I can usefully answer a question concerning a city located outside Canada.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Nesbitt: Mr. Speaker, on a point of order—

Mr. Speaker: Order. I suggest to hon. members that the rules have already been fractured to some extent by the Chair, inasmuch as we have gone more than five minutes beyond the question period. Perhaps hon. members could wait patiently until tomorrow, when I will make another effort to see that as many questions as possible are submitted to the house.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

COMMITTEE CONSIDERATION OF APPROPRIATION ACT NO. 1, 1969

The house resumed from Monday, March 3, consideration in committee of Bill C-177, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1969—Mr. Drury—Mr. Faulkner in the chair.

The Chairman: Order. When the committee rose on Monday, March 3, clause 2 of the bill was under discussion.

On clause 2—*$222,254,283 granted for 1968-69.*

Mr. Stanfield: Mr. Chairman, last evening the Minister of Transport outlined to the committee some views regarding housing and the report of the task force on housing. One very pertinent question we must ask ourselves when we consider the views expressed by the minister is: In what capacity was the minister speaking to us last night? Was he speaking to us as a spokesman for the government announcing government policy? I think the clear answer to that question is that he was not. He was merely explaining to the committee his views as chairman of the task force on housing.

Let me say immediately that I agree with a good many of the recommendations of the task force. I have to, because a good many of them seem to have been taken from the election program of the Progressive Conservative party in the last election. I want to be very frank this afternoon, without in any way being abusive, and tell the minister that his explanation to the committee was really of very little use. We have no way of knowing how many of the views expressed by the minister may become government policy. We have no way of knowing which of these views will be adopted by the government. We have no way of knowing which views will actually be recommended by the minister to the government.

I must say quite frankly through you, Mr. Chairman, that the position of the minister at this juncture is simply not credible. First of all, the Prime Minister has placed the minister in an absurd position. For some time prior to the publication of this report the minister was boasting about his revolutionary program. He boasted about how he was going to cut red tape and get ahead with the housing program. But the Prime Minister, as has become his practice in some instances, proceeded to cut the feet from under the minister.

I should like to quote one or two remarks made by the Prime Minister in this connection. In the house on February 14, as reported at page 5525 of *Hansard*, the Prime Minister made the following statement:

Until the constitution is brought into the 20th century in some of these respects—

He was referring to housing policy and urban renewal programs.

—governments are to a large degree powerless to solve the problems either by acting alone or in co-operation with other levels of government.

There we have a very clear statement by the Prime Minister that it is to a large degree impracticable for the governments of this country, either alone or in co-operation with each other, to deal with the housing problem in Canada. Thus a curious state of affairs has been created. On the one hand we have the Minister of Transport boasting of how he is going to get the program moving under the present constitution, boasting of how he is going to cut red tape. On the other hand the Prime Minister rises in the house and says that to a large degree the governments of the country, presumably including this government, are powerless to act until the constitution has been revised.

Then we had the spectacle of the Prime Minister returning to his own constituency and discussing this question with his constituents, but apparently in a different capacity. It must have been in a different capacity because the Prime Minister took a very different line. He is reported as having said this:

—practically all federal Liberals then said—

This is two years ago.

—they did not want to start becoming involved in constitutional questions. There were more urgent problems—housing, integration, poverty,—"and the constitution was pretty low in order of priorities."

"I was saying it, and the Liberal party in Ottawa was saying it"—

Said the Prime Minister. So you have the situation where in his own constituency the Prime Minister says that housing, integration and poverty are far higher in the scale of priority than reform of the constitution. Yet in this house the Prime Minister says that nothing effective can be done with regard to housing until the constitution is reformed. Just how cynical can a government get?

We have also had a phoney NATO review. In this regard the government has been facing in both directions. We now see the Prime Minister trying to look in both directions at once on the question of the constitution. When we place the poor Minister of Transport in the context of the remarks made by the Prime Minister, there is certainly very little ground for the Minister of Transport to stand on.

Clearly the Prime Minister is a reluctant reformer of the constitution. He indicates in his speech that his hand has been forced by members of the opposition. Yet the other day in this house he said that, without substantial constitutional change, both his government and other governments in this country were virtually powerless to act in regard to housing.

Put the two positions side by side and the conclusion is inescapable. The Prime Minister believes that the government is powerless to act because of the constitution. Yet he did not seek constitutional change. Any government which, through its Prime Minister, simultaneously tries to adopt two positions is patently insincere when it tries to persuade the country that it is genuinely concerned about the urgency of the housing problem in this country. For that reason alone the minister's image as a reformer lacks credibility. The Prime Minister himself considers the Minister of Transport powerless under the existing constitution to carry out certain reforms. From what the Prime Minister said it is clear that there is no real will within the government to bring about constitutional change.

• (3:10 p.m.)

I do not accept the position that governments in this country are powerless to deal effectively with problems of housing, pollution, and so on. There are ways in which the provincial and federal governments may co-operate, but the Minister of Transport did not chose to follow the path of co-operation. He did not, as he ought to have, involve the provinces in the establishment and work of the task force. From the beginning he did not follow the road of co-operation. In short, once again this government is up to its old tricks, like the one performed with medicare where the government produced a program and asked the provinces to take it over.

Clearly, the Minister of Transport was operating in an area of divided jurisdiction. Nevertheless, he acted from the beginning in this matter without taking cognizance of the proper role of the provinces in solving the housing problem. It would have been much wiser to involve the provinces. They could have enlightened the task force considerably about certain aspects of the problem, and there would have been a better measure of real co-operation in the solution of our housing problem. The minister concerned turned his back on the provinces, and I will not be surprised if he achieves nothing substantial in the solution of the housing problem.

The Prime Minister thinks that little can be done under the present constitution; he persists in making inflammatory statements

which do little to enhance federal-provincial co-operation. Because of the Prime Minister's views, the position of the Minister of Transport lacks credibility.

As I have said, the Minister of Transport was not prepared to co-operate with the provinces. But I have another reason for saying that his position lacks credibility. Under his direction the task force, among other things, recommended that in certain instances the 11 per cent sales tax on building materials ought to be abolished. Clearly, that recommendation emanated from the minister; equally clearly, the Minister of Finance, who also has responsibility in this field, has no intention of going along with this recommendation. It was bad enough when the Postmaster General poked his nose into the affairs of the Departments of External Affairs and National Defence and expressed views in public contrary to those known to be held by the government. Whether he did so to hide the chaos in his own department or because someone had asked him to undermine the position of the Secretary of State for External Affairs is beside the point. But in the housing field two ministers who are jointly responsible, in a manner of speaking, are in open conflict and are apparently recommending different policies.

I ask, Mr. Chairman, what goes on in this government? How often will the government look both ways at once? How often will it wear two faces at the same time? We have seen it doing that on the NATO question, on constitutional questions, and we are now seeing it with regard to the 11 per cent sales tax. The minister's present position is patently phony. If the government does not act on the recommendation of his task force that the 11 per cent sales tax on building materials be abolished, will he resign as a minister of this government? Is he prepared to resign? If he is not prepared to resign, his position is patently phony and insincere.

Some hon. Members: Hear, hear.

Mr. Thompson: Get tough with him.

Mr. Hellyer: You just want to get rid of me.

Mr. Stanfield: We want the minister to behave as he ought to behave, to have the courage of his convictions and to stand behind the public positions he takes. It is time integrity was restored in matters of public behaviour and it is time ministers stuck to their principles.

[Mr. Stanfield.]

Last night the minister advanced an argument regarding removal of the ceiling on N.H.A. loans and strengthened our conviction that he cannot be believed. Since coming to Ottawa I have never heard anything more absurd than the position the minister advanced last evening. He argued that removing the ceiling would ensure a steady flow of mortgage funds, and the inference I drew was that interest rates would climb above the present ceiling. Then in the same breath he argued that this action would reduce mortgage interest rates. Well, he cannot have it both ways. I only hope that no one in the government will pay the slightest attention to that recommendation which can only send up interest rates on mortgages when funds are already in short supply. Although the minister explained his report last night, his position lacks credibility. We hope that at least one of his recommendations will not be adopted by the government. Of course, we did not really need to hear the minister explain what his task force was recommending. Through carefully contrived leaks or releases many of the recommendations of the task force had already been made public even before the report was tabled in the house.

We were told that the report constituted a revolutionary approach to the housing problems of Canada. I ask, what was revolutionary about it?

Mr. Gibson: The films we saw.

Mr. Stanfield: What is revolutionary in its recommendations? The majority of its valuable ideas, such as the abolition of the 11 per cent sales tax, the development of land banks, use of existing housing for public housing purposes and subsidization of rentals, were originally brought forward by hon. members of other parties. Many of them I advocated, but when I advocated them my hon. friends opposite said they were socialistic. They scorned those ideas.

Mr. Hellyer: They are respectable now.

Mr. Stanfield: I am glad to hear that. I hope the minister mends his ways and co-operates with the provinces, because by so doing we shall see brought into being a system governing land banks. Regretfully, it appears that the minister will not co-operate with the provinces in the solution of these problems.

And what about other proposals in the report, such as lengthening the period for repayment of mortgages and reducing down

payments? It is said that this will help some Canadians, but I say it will not help to any perceptible extent the hundreds of thousands of our countrymen who already have great difficulty in carrying heavy interest rates. They will not be able to carry the amortized payments over longer periods. The minister admitted that lowering down payments would help only some Canadians. What in this report gives any hope or encouragement to those Canadians who cannot carry mortgages at existing rates? There is nothing, Mr. Chairman. The report and the minister himself are complete washouts.

• (3:20 p.m.)

When it comes to dealing with the problem which the minister said was probably the most basic difficulty facing housing in Canada, the cost of money, what did the minister say? All he did was to state his faith that ultimately it could be met. I had to remind him that ultimately we will all be dead.

The minister talked about the importance of the flow of mortgage money into the housing field. This, of course, is important. He spoke about it being turned on and off in recent years and gave the impression that this is anybody's fault but the government of Canada of which he is a member. Who is responsible for the supply of mortgage money being turned on and off in recent years? Nobody but my hon. friend and his colleagues. They are the ones responsible. This kind of difficulty will continue. As long as this government has such a weak and inflationary program, more and more Canadians will be unwilling to invest in fixed rate term obligations such as mortgages. Yet we have no effective action in the field of fighting inflation.

We got the most enormous misrepresentation in Canadian history in connection with the budget. The government finally reported an actual deficit which was hundreds of millions of dollars higher than they forecast it would be. After many months of studying the question of inflation, a white paper was presented to the house which could have been written by a group of people in two or three hours. That white paper recommended the importance of a study committee to study fighting inflation in this country. A popgun! The problem with regard to the supply of mortgage money will continue as long as this inflationary psychology continues.

The minister spoke about the size and difficulties of building companies. He suggested this is really due to the turning off from time to time of the supply of mortgage money. I agree that this no doubt is the case, but he is not producing anything to ensure a steady supply of mortgage money so these companies can continue to build houses on a steady basis.

Nothing has been done in connection with the cost of interest to a person borrowing money. Nothing has been done to restore confidence, and we have higher taxes imposed by the government. I have great sympathy for those Canadians who need to acquire a home and have been forced because of the inflationary policies of this government to pay fantastic interest rates. I feel a very good case could be made for the state providing these people with some relief because they have to pay these high taxes to some extent as a result of the mistakes, bad judgment and lack of restraint by the government of Canada. It was because of my conviction that the government owed these people some consideration that I made a modest proposal of some form of tax relief which would provide a modest degree of relief to these people and at the same time preserve their incentive to borrow money. I put forward an equitable proposal which was scorned by my hon. friends opposite, apparently on the ground that it was upsetting to Bay Street. This proposal would have cost approximately $25 million a year. My proposal apparently was too modest in its sweep, particularly in view of what has happened to interest rates since then. It was a reasonable proposal.

I point out that in the case of the tenant who lives in an apartment built by an entrepreneur who borrowed money, the interest paid on that money can be deducted from the income tax of the establishment. Therefore, under the existing income tax arrangements the tenant does get some relief indirectly by reason of the ability of the landlord to deduct interest payments in computing his net income. A very good case could be made on this ground in addition to the grounds of equity and responsibility. The government has the moral responsibility for putting these hundreds of thousands of unfortunate Canadians in the terrible position where they have to undertake to pay 9 per cent or 10 per cent interest for many years. If the government wants to do something to offer some relief on the very matter that the minister said was the most important problem, this is a very simple thing to do. It is not possible to put the home owner in a completely satisfactory position, but the government can act at modest cost to the taxpayers of this country.

The minister made some extraordinary statements last evening which I never would have believed had he not made them.

Mr. Diefenbaker: Did you believe him then?

Mr. Stanfield: I have to believe these statements, Mr. Chairman, because I would think any minister would be too ashamed to admit to them unless they were true. The minister stated that the federal government has obviously been involved in housing for many years in this country. He said that there had been no research done to determine the effect of supply in relation to rents. There had been no research done to see what the effects were of a 3 per cent or 5 per cent vacancy rate in a city. I find this almost impossible to believe even for this government, Mr. Chairman. I would not have believed it if anybody else had said it, but when the minister responsible said it I had to accept it. It really makes me wonder whether the government is capable of properly managing anything in connection with housing.

The minister made an amazing statement regarding public housing. He said it was the first time he had been exposed to the views of tenants. I daresay that is true although some of the rest of us have been. Is it credible? It must be, but it is hard to believe that a Crown agency involved in assisting in the construction of public housing and encouraging municipalities to engage in public housing would not follow up on its projects to determine the attitude of the tenants in such public housing. Can you imagine, Mr. Chairman, any competent government putting a good deal of money into public housing and then not taking the trouble to determine whether these were good healthy surroundings for the tenants?

• (3:30 p.m.)

I cannot believe that the officials of Central Mortgage and Housing Corporation are not fully informed on this matter. Here I must believe it was the minister who was ignorant. I cannot believe that the officials who are putting all this money into these public housing plans had not taken the trouble to inform themselves as to what satisfaction these projects were giving to the people living in them. I cannot take the minister seriously on that one.

Where do we stand with regard to these projects in the future? The minister purported to be very specific and definite. He suggested it was only where urban renewal schemes involving business development were concerned that there would be postponements, but I defy anyone to go over what he said and determine what is the actual position now with regard to public housing projects. We are not a bit wiser today than we were before he spoke and, of course, before he spoke we were not a bit wiser than we were when he refused to answer questions in the house a few day ago. The minister's position is very obscure. When the minister stands up in the house and says there was only one year in which there was any real short-fall in the construction of housing, then that is about the end of it. I do not see how he could expect any of us to take him seriously after that statement.

We all agree that there is no simple solution to the housing problem. Presumably the government is going to continue to exercise the authority granted it by the people of Canada, and presumably it will hold office for the normal term. I presume this will be the case and that the minister or somebody else will have the responsibility of moving forward with housing programs. Therefore it is important that the minister and the government restore their credibility in this field.

It is important that we have some clarification with regard to the constitution and the effect of the constitution on the minister's programs. Is it virtually impossible, as the Prime Minister suggested, for us to proceed with a housing program under the present constitution? If this is so, how does the Prime Minister explain that constitutional reform is low on the scale of priorities? I would like to hear the Prime Minister explain that to the house some time. I would like the government to take a credible position with regard to this matter. I would like the minister and the government to move to restore their relationships with the provinces.

Today we had another sign of the government going off half-cocked in connection with offshore mineral rights, violating undertakings given by previous prime ministers to engage in consultation with the provinces. This is exactly the way that the Minister of Transport is going about solving the housing problem which the Prime Minister says cannot be solved under the existing constitution.

I say, stop the farce with regard to the 11 per cent sales tax on building materials. Stop exposing us to the spectacle of one minister urging its abolition and then the Minister of Finance pouring scorn on the idea. Let them

stop the pretence that they are doing anything to lower the cost of money to the homeowner. Stop the pretence that they are busy doing something by way of an anti-inflationary program. Let them provide some relief along the lines I have suggested, or along other lines, to those homeowners troubled with the fantastically high interest rates for which the government is primarily responsible.

At the moment the minister's position is completely incredible. I have gone over the reasons for this and through you, Mr. Chairman, I want to tell the committee that we are very concerned about the condition of housing in this country. We believe that the problem can be attacked. We do not share the view of the Prime Minister that the present state of the constitution makes an effective attack virtually impossible. If the government will improve its relations with the provinces, obviously an effective attack can be made.

There are some good ideas in the task force report. There have to be other ideas added to them. These ideas are being discussed. We in the Official Opposition will support and assist the minister in launching and carrying out an effective and comprehensive housing program but we want it to be credible, we want it to be sincere, we want it to be straightforward. We have had enough of these positions of duplicity.

Mr. Caccia: Mr. Chairman, I have listened carefully to the remarks made by the Leader of the Opposition. One thing that should be added to them is that in effect for the first time the federal government has focused its attention on the question of housing, which has provincial and municipal implications, and has produced a report on the problem which is perhaps the most comprehensive ever made on it in our history. In doing so the government has provided all those interested in searching for a solution with the opportunity to choose priorities and to decide on the kind of orientation we wish for a federal housing policy. In the past few years a large number of conferences on housing have been held and many speeches have been made. But never before has there been a study that has condensed in so comprehensive a manner all of the various aspects related to the issue, perhaps the most formidable and difficult issue facing any government in the western world, an issue that must be resolved.

It might be very easy to resolve the housing problem under different economic conditions in other parts of the world, but in the western world with its free economy, with an explosion in population, in a country with such vast distances as Canada, with such diverse climatic conditions, with population increases continually taking place in some major urban centres and not in others, it is extremely difficult to produce a policy which will make everybody happy and will meet the needs in every corner of the country. On that score alone the Minister of Transport ought to be commended for having undertaken such an enormous task and for having produced in such a short time a document for us to debate and improve upon. I believe it is the beginning of a new trend wherein the federal government by virtue of other circumstances has found it necessary to focus its attention on municipal matters and on powers given to other levels of government, including the municipal level.

From examining the report everyone interested in the subject could perhaps arrive at different conclusions and different priorities with respect to the final policy which ought to emerge, and there are a few points I would like to submit in contributing to this debate as best I can.

The report in its declaration of principles says that the housing needs of most Canadians can and should be met through the private market. This is quite true so far as the production of housing is concerned in the form of new apartment buildings and new houses of a certain size. But the pattern in large urban centres, and I can only speak from experience of large urban centres, indicates that the private sector has not been in a position to produce public housing. Therefore the government, in its priorities and orientation, should include public housing. In doing so it could draw on and benefit from the studies which have already been completed and carried on over a number of years. It could draw on the experience of others.

(3:40 p.m.)

When we speak of public housing we hear criticisms in respect of the shortage of certain social facilities such as day nurseries, recreational centres and the like. This is the very kind of thing that could improve the quality of future public housing projects. In some situations, for instance, in the city of Toronto, the term "social housing" has been coined recently in order to indicate that much more is really needed than the provision of shelter

when it comes to public housing, that society derives from public housing social benefits in many different related and perhaps unrelated areas. Therefore this is a field of human endeavour which deserves a continuity of effort.

While dispersed acquisition of houses in any given community in respect of public housing might be very desirable from a social viewpoint, this policy will not add to the housing stock available. It will actually diminish the housing stock available from the private sector and therefore would have the effect of increasing the cost of the units available on the market. There is the suggestion, for instance, that perhaps loans should be made available as subsidies for the payment of rent. I would rather see a different objective. If loans are to be made available as subsidies I believe they should be made available not for rental purposes, because they would eventually end up in the pockets of the landlord in one form or another, but as loans toward the purchase of a housing unit.

It must also be emphasized that when we speak of housing programs and projects for the Indian, Eskimo and Métis people in many parts of Canada our attention should also be focused on the situation in the major urban areas of Canada where there is a large influx of immigrants. This situation will certainly require our attention because immigrants who will arrive in years to come will find difficulty in obtaining accommodation upon arrival.

Much has been said on the subject of urban renewal. In this regard I think the views expressed in the report are very useful for the purpose of focusing attention on what has been done so far and on the shortcomings in the techniques which have been adopted so far. I do not know that great benefit will be derived by the suspension of urban renewal schemes. I would rather that we continued our efforts and eliminated the feeling of uncertainty which has been created in some of our centres because of the suspension. Some of the projects which are awaiting approval are of a highly sophisticated nature and would meet the thinking, expectations and hopes of the task force even beyond their dreams. These projects have been produced by local groups with the co-operation of the local government and through a process of dialogue over a period of months and years of co-operation.

Therefore the question of urban renewal perhaps should be approached in the light of experience. Perhaps it could be expanded in a way so that rather than doing it on a limited area basis of a few blocks or a square mile it could be done by approaching it as a renewal project for any given municipality. Thus it could be incorporated in the same way a municipality would incorporate a public works program. This concept should be the broadest possible within the confines of the municipality and should eliminate the atmosphere of uncertainty and discomfort that some urban renewal schemes have created in the past.

The question of loans and grants for the rehabilitation of existing housing is a very crucial one. It is a question of great importance in the older portions of our cities. I submit it is not possible to expect an elderly couple who live on a fixed income to receive a loan for the renewal of their house. It would perhaps be desirable to develop a system whereby rather than a loan a grant would be made available for the improvement of the property and this grant would then become an encumbrance on the title of the house. The repayment of the grant to the lending authority could be worked out on that basis. At present I believe it would be unrealistic to expect people to renew their homes on the basis of loans, particularly when they have a limited income.

There are several more points which I could discuss such as the question of individual rehabilitation which has taken place in some areas and the theory of the filtering down of housing. What is happening right now in large centres is that houses are no longer filtering down from one social stratum to another but are actually filtering up. Many people find it desirable to buy a home at a reasonable price on the market, improve it and then sell it on the market at a much higher price. So we are actually experiencing a reverse process which could be called filtering up.

In closing my remarks I should like to submit a few thoughts for consideration. When one considers the long list of names of people waiting for accommodation in the large metropolitan areas—Toronto alone has something like 12,000 or 14,000 names on the waiting list—it seems to me that public housing projects should be continued in the light of the experience so far rather than have to await additional studies. I believe it would also be desirable that a program of income supplements be initiated to permit low income families to purchase property. It

would also be desirable that legislation be introduced to provide financial assistance through grants for the rehabilitation of low income property owners in urban renewal areas.

• (3:50 p.m.)

As I said at the outset, Mr. Chairman, we must appreciate that in our society it is desirable that we arrive at policies which reflect our concern for those who need housing. In this regard it is time to do some thinking in conjunction with municipalities and metropolitan centres such as Montreal, Toronto, Vancouver and Winnipeg. When considering the relationship between the federal government and these metropolitan areas we must ask about the desirability of dealing directly with urban centres. We have large urban centres with populations and resources greater than those of several provinces. We must become concerned with the life of the millions of Canadians living in these centres.

At this point in history, we might ask ourselves whether there is a possibility of redrafting our constitutional relationship, when it comes to the redevelopment of Canadian urban centres. Can we correct inadequacies of this kind, the source of so many difficult situations? Can we resolve these difficulties by establishing direct bridges between urban centres and the federal government? These are relevant matters. With the help of the task force report we have the opportunity of constructively improving upon this situation.

[*Translation*]

Mr. Caouette: Mr. Chairman, I listened very attentively a while ago to the remarks of the Leader of the Official Opposition (Mr. Stanfield) on the housing legislation and supplementary estimates we are asked to approve, in order to give better assistance in the housing field in Canada.

This housing legislation is of outstanding importance since it is of utmost concern and interest to thousands of Canadians calling for better dwelling and a housing program adapted to the average Canadian, not programs like those that are submitted to us, involving very high rates of interest supposedly to fight inflation.

The cost of money is going up all the time and the reason given for that is that we must fight inflation. On the other hand, the minister introduces a piece of legislation to increase housing credits, on the pretence that we need new dwellings. There is in all this a glaring inconsistency.

Under the present housing act, Mr. Chairman, a Canadian worker who decides to buy a $15,000 home must now pay interest at a rate of 10 per cent. If it takes him 35 years to pay for his house, it will have cost him more than $60,000, including the interest, and excluding municipal and school taxes. This is, to me, an inflationary scheme in itself, for that $15,000 home will never be worth $60,000. Yet, that is the bill we are asked to pass.

Where are the Canadians who will be able to pay $175 or $200 a month for 35 years to own their home? Indeed—and the minister is aware of it—many small home owners who bought a house 5, 6 or 8 years ago now have to give them up, losing by doing so the savings they had accumulated over 10 or 15 years, because of the increase in school and municipal taxes, and the cost of rental or monthly payments.

For instance, is there an E. B. Eddy employee in Hull who can pay $200 a month for a $15,000 home? There is not and the minister knows it. Built-up areas are multiplying in the suburbs of Montreal, Toronto, and other large centres.

Yet, in Montreal, hundreds of houses are empty, because workers cannot hope to live in that type of housing. Even if $600,000,000 or even $1 billion were spent to build new housing units, if the terms and conditions are not within the reach of the Canadian buyer, people will certainly not be helped towards better housing.

Thousands of families are still living in Montreal slums; they cannot hope to move to a more comfortable and decent home, and pay $175 or $200 a month.

• (4:00 p.m.)

The minister and the government know this is impossible, but the Prime Minister (Mr. Trudeau) goes on repeating across Canada that money does not grow on trees and the Minister of Transport (Mr. Hellyer) also agrees with this. There is a lack of money and it costs too much.

A while ago, the Leader of the Opposition was saying that the cost of money should be reduced. How would he go about it? We do not know because he is not telling. What would he do if he were the present minister or heading the present government? We do not know. We know ourselves that interest rates are too high and that is why we have been fighting in this house since 1962. I was doing so way

back in 1946—23 years ago—and I used to tell the government: Why not finance those projects of national importance through interest-free loans by the Bank of Canada as this is being done for India, Africa, South America, China and other countries throughout the world? Why not assist Canadians in the same way through the services of this financial institution which belongs to all Canadians, that is the Bank of Canada? On the contrary, this control is left in the hands of Canadian bankers who tell the Bank of Canada what to do. This institution does not exert any authority over the chartered banks of which it is the servant instead of exercising its own sovereign powers as a servant of the people and abiding by the decisions of the Parliament of Canada. It is merely the toy of outside financial interests which are dictating their own terms to the government.

The government is now willing to guarantee loans. To whom? To the companies which, in turn, will lend at an interest rate of 10 or 12 per cent, if not 15 or 20 per cent. That is what is being done by the insurance companies and by the banks. Insurance companies, incidentally, do not give any credit. Money does not grow in their case but, on the other hand, it grows in banks. This is where it is born through the law which allows bankers to multiply by 14 every central government bond. Would it be more difficult for the central government to make the multiplication by 14 itself instead of entrusting with this task some individuals who, in turn, lend to the government at outrageous interest rates? It is in order to protect those financial bloodsuckers that the government brings in such laws. One has not even the right to rise in order to protest against these rights granted to financiers.

Mr. Chairman, the Créditistes are the only ones who have the courage to object to this shameful exploitation of the Canadian nation and of the Canadian government. Money does not grow on trees. No. It grows in banks. The insurance companies borrow from banks and, in most cases, it is they that grant loans to people who need a home or want to develop resources and so on.

The banks are the masters because they are the greatest power in Canada. Without their permission, nobody has the right to breathe. It is as clear as that. The trust companies, the finance companies and the insurance companies constitute, as it were, the offspring of the banks. One hears people criticize the insurance companies, the trust companies and others by saying: let us get rid of these companies. Let us kill the children and let the mother live. I think it is the best way to insure that she will have other children in a few years. The only way to prevent the exploitation of the Canadian people is to take away from the banks the power to encourage the creation of trust companies.

[Mr. Caouette.]

Mr. Chairman, the housing problem does not concern Ottawa only. Besides, the minister, the Prime Minister and the government admit it. It concerns also the provinces, the municipalities and the citizens. A while ago I heard a Liberal member say that, in the future, the central government would have to reach a compromise directly with the authorities of the great cities. Solving the problems of the provinces would be easier, in my opinion, for the provincial authorities than for the federal government because those problems are closer to the former than to the latter, and when the provinces insist on having more say in the field of housing, I believe they are right.

I do not think there is any need to amend the constitution for the sake of giving the provinces a larger measure of responsibility in the field of housing. I bet the Premier of Quebec has seen the slums of that province more often than the Minister of Transport under whose jurisdiction comes the question of housing. I am pretty sure that the provincial authorities are more aware of the situation in Montreal than the federal minister, the Prime Minister or the central government. It is agreed that, under the constitution, it is a field directly pertaining to the federal authority. It is in fact, its very own field: I am referring to the matter of financing. The question of money and credit is Ottawa's business and not that of the provinces. That is why the representatives of the provinces come to Ottawa and ask the minister or the government: Give us the financial means, for, at the moment, all we have is the responsibility.

Such is the problem facing the government in every field, specially in housing.

So the provinces come to Ottawa, saying: Give us the funds. Ottawa answers: We do not have any. Money does not grow on trees. Such is the kind of answer given by the Prime Minister. Then where does money come from? The Prime Minister does not know. He knows, but he does not have the right to tell. As for me, I know it and I have the right to tell. And I do. Whether you like it or not, the truth is there and I say it bluntly.

Mr. Chairman, financial means should be made available to the provinces thus enabling them to enact a law on housing to provide every Canadian with the means of buying a decent home but not at the present rates of interest. The present situation should not be allowed to last or to deteriorate for it is worse than it was five years ago, as far as housing is concerned. In fact, to live in a small family home costs a lot more today than it did five or six years ago.

Assistance has just been granted to Montreal—and that has nothing to do with housing. The Minister of Transport is aware of it. It has to do with the granting of rather important sums of money, interest free, to make up Expo's deficit. We begin to understand that to pay off deficits, we will have to resort to a procedure advocated by the Créditistes for the past 30 years. I am referring to interest free financing. In order to help out Expo in Montreal, the central government undertakes now to back it up with $8 million under an agreement with the province and the municipality, and without interest. It is a form of assistance and not a gift. It is a loan that the City of Montreal will have to pay back but without interest.

Why? Because it is a deficit incurred by Expo. I do not blame the government for granting an interest-free loan to the City of Montreal, on the contrary I congratulate it for that. It should do the same for the municipalities which are short of money.

There are not only municipal deficits; there are also provincial deficits, school deficits, personal deficits. People have gone into debt for 5, 10, 15 and even 35 years to buy a house. I said earlier that very few people will become homeowners if purchasing plans of 25, 30 and 35 years are established. If a Canadian gets a house when he is 35 or 40, and pays for it little by little that is by instalments spread over a long period, he will be 70 or 75 before he is through paying for it. Who will live until 75 with an old age pension of $107 a month? Who will still own his house at that time?

• (4:10 p.m.)

Mr. Chairman, we will probably leave that to our children, thus mortgaging the future of our children and that of their own children. The present Minister of Transport or myself will not be around then, but the inheritors of our debts will. We are the ones who will have voted those debts in this house.

Mr. Chairman, housing is a national matter of which both Ottawa and the provinces are responsible. I repeat that the provinces have all they need at their disposal to proceed with housing projects for the materials and the workers are available. Moreover, there are 200,000 unemployed in the province of Quebec alone, which is amazing in 1969, when there is so much to do. There are 80,000 unemployed in the city of Montreal alone. What a marvelous situation!

Why are there unemployed in the province of Quebec and elsewhere in Canada? Would it be because there are no more resources to develop, no more houses and no more highways to build, nothing more to undertake. Certainly not, Mr. Chairman. It is because money does not grow on trees because trees are not productive at the present time. There are no developments, because of procrastination, introduction of legislations, but all that does nothing to improve the economic situation in Canada.

Mr. Chairman, the central government ought to provide banks with financial means by allowing them to make use of the Bank of Canada; then you will see houses being built up for families, rather than families being planned according to houses as proposed by the C.M.H.C. For families with eight or ten children, they build small four room houses. Can you imagine 12 people crowded into four rooms. This does not make any sense. However, that is what the national housing act provides.

But one never hears about houses being built for large families, because they would be much too expensive. It is not on account of a shortage of building materials, manpower or land, but because the cost of money is too high; the money problem is the only problem they refuse to correct, to deal with. Money does not grow on trees. We take it in the pockets of Canadians. But where does it come from? Where does it grow? The government knows it, but it does not have the right to tell us.

Mr. Chairman, we maintain that a responsible and sovereign government should see to it to make financially possible what is physically feasible and desirable. On the other hand, the governments, whether Progressive Conservative or Liberal, have not taken their responsibilities, I think, in a number of fields, specially in the economic field. They have been satisfied with statements of principles, with talk about their love for the Canadian people, our natural inexhaustible resources,

the vastness of our country so dear to everyone. Even in 1935, the then Prime Minister, Mr. William Lyon Mackenzie King, made a statement that I always keep in my pocket, because I always fall back on it and find it of much value. Besides, in the good old days of 1935, I agreed with Mackenzie King. I quote:

[*English*]

Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation.

[*Translation*]

But let us consider the situation in which we find ourselves at this time. Here is what the Rt. Hon. William Lyon Mackenzie King had to say, and I quote:

[*English*]

Usury, once in control, will wreck any nation.

[*Translation*]

What action is being taken in the housing field? I see my colleague from Chambly (Mr. Pilon) and he knows that I am telling the truth because he believed in Mr. Mackenzie King.

Mr. Chairman, I shall quote what the Right Hon. Mackenzie King used to say:

[*English*]

Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and democracy is idle and futile.

[*Translation*]

This is what Mr. William Lyon Mackenzie King used to say and he was right. But, who ever put those ideas into practice since that time. Even Mackenzie King had forgotten about them himself during the last years he was a member of the house. I was here from 1946 to 1949.

Mr. Chairman, the same problem is still with us in 1969. In 1931, 38 years ago, Pope Pius XI said: "Those in control of money and credit are the masters of us all and nobody is allowed to breathe without their permission". This is just as true nowadays as it was then.

The government has to deal with this kind of system. In times of war, are the governments, whichever they may be, worried about financial problems? No. All of a sudden, it is decided that whatever is physically possible for war must be made financially possible. Guns are manufactured, soldiers are dressed and sent to Europe on the battle-fields as quickly as it is physically possible and feasible; finance is adjusted to reality.

One has never heard that there was a shortage of 25 cent coins to manufacture a gun. That is impossible because of the rate of interest—

[*English*]

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired unless, of course, the committee wishes to give him unanimous consent to continue.

Some hon. Members: Continue.

Mr. Caouette: Just for a minute, Mr. Chairman.

[*Translation*]

My sincere thanks to my colleagues for allowing me to carry on with my comments; they may rest assured that I shall not take undue advantage of their courtesy.

In two minutes, I shall demonstrate to what extent Canadians have to deal with a crazy system. We can never say it often enough: we live among crazy people and we are governed by the craziest among them, and here is the proof.

In 1963, I purchased a small house at 33 Meunier Street in Hull, with a loan from the Mutual Life Assurance Company of Canada. What is more interesting is that this was a $15,500 house on which I have been making payments ever since. But, when I bought this house, my monthly payment was $104. Today, it is $134, that is $30 more in about six years. That was the situation as of December 31, 1968.

It will be said that I mention my case as an example, in black and white. That will appear in *Hansard* and everybody will know that I am still paying for the house where I live in Hull. I had a mortgage of about $12,000, and I still owe $11,874,84. Last year, I paid $771.64 in interest to the Mutual Life. I paid $598.80 in municipal and school taxes, and the principal, that is what I paid back on my house, amounts to $285.56. Such is the purchasing plan of the Central Mortgage and Housing Corporation. I repaid the mortgage at the rate of approximately $22 per month, but I paid $771 in interest and $598 in taxes, and that at a rate of interest of 7 per cent. With the new rate of 10 per cent, the monthly instalments will only pay for the interest and the taxes, and the homeowner will never repay the price of this house, so that he will

never be one of the home owners in his country, Canada.

We are against that policy which we have been fighting for a long time, and we urge the government to take its responsibilities and to put the financial system at the service of the citizens of Canada.

Some hon. Members: Hear, hear.

• (4:20 p.m.)

Mr. Asselin: Mr. Chairman, several members have stressed the importance of the matter before us, that is the housing problem. We know the problem is fundamental and and nation-wide. We also know that the Minister of Transport (Mr. Hellyer) seems much concerned about it, since he said recently, in Vancouver I believe, that he would be willing to leave his present position to head a department of housing if it were established by the government.

Considering the importance of the Department of Transport, I wonder if it would be in the best interests of the Canadian people to entrust the minister with new responsibilities and ask him to deal with the housing problem. The Prime Minister (Mr. Trudeau) should relieve the Minister of Transport and entrust someone else, a Minister without Portfolio for example, with a matter as important as housing. Of course if the Minister of Transport would rather look after housing, he could leave the Department of Transport and become solely responsible for that important and essential matter which we call the housing policy.

I do not question the good intentions nor the good will of the minister. Indeed, he has established the so-called task force, a study group to consider the various aspects of the housing problem in Canada. I have studied that report like all other hon. members but I find in it very few practical solutions. It is obvious that excellent suggestions are made, but they are long-term suggestions which could not immediately solve the very important housing problem.

The main improvement has been an extension of the refund period of the Central Mortgage and Housing Corporation. And, as many hon. members have repeated it in this house, Mr. Chairman, that measure does not in any way settle the matter.

Yesterday, replying to an opposition member who was criticizing the organization of the task force which has drafted the report we are studying, the minister said that he had chosen the finest authorities in the field to advise him.

I take the minister to task because if the federal government wants to take the responsibility of housing it should consult the provinces before proceeding with the detailed study of that very important problem since, as has been said by many hon. members, housing falls in the legal category of property and civil rights and hence under the exclusive jurisdiction of the provinces. So, I wonder—perhaps the minister will give me an answer later on—if he intends to raise another constitutional conflict with the provinces. I think he should have included in this task force some provincial representatives who could, in the light of their government's information, provide the minister with most valuable data on housing.

A member said earlier that the provinces and the municipalities are much closer to the people than the federal government, which is true. It is also the responsibility of the provinces to discuss with the municipalities the problems of housing, property rights, and civil rights. So I do not see how the minister can, constitutionally speaking, discuss directly with the municipalities of the country without doing so through the provinces. Besides, the minister knows that in constitutional matters, he has no authority over municipalities. By insisting on going forward with a housing policy without consulting the provinces, I wonder if the minister is not about to create another constitutional crisis between the provinces and the federal government? The minister is well aware of that since, at the recent conference of representatives of municipalities and provinces held in Toronto, which he attended, he was severely warned, especially by the province of Quebec, not to elaborate detailed policies without consulting the provinces, and especially Quebec, because that is a field that falls under the exclusive jurisdiction of the provinces.

Mr. Chairman, I say that the minister's behaviour is strange. I do not blame him for attempting to help Canadians, for bringing forward policies likely to solve the housing problem in some sectors. The minister may want to point out that under the constitution, the federal government must look after the welfare of all Canadians and the minister would be right. But until the Canadian constitution is amended, neither he nor the federal government have the right to interfere directly in a jurisdiction that belongs exclusively to the provinces.

In fact, the first step the minister should take would be to invite the provinces to a conference on the housing problem. Conferences have already been held in 1965 and 1966, and the minister will remember—even if he was not the minister responsible for housing then—that the provinces had raised objections with regard to the constitutionality of the exclusive control of housing by the federal government, wondering whether that problem did not lie exclusively within the provincial jurisdiction. We remember that at that time, the conference had dealt with one definite point.

I am surprised today that the government and the minister are now asking us to vote supplementary estimates in an effort to solve the housing problem. I am wondering whether in view of the differences of opinion expressed by some provinces in this constitutional field, the minister should not rather begin by calling together the provinces in order to discuss the problem with them and to work out plans which might solve housing problems in Canada.

The minister knows that several provinces, including Quebec, already have a housing corporation. Everything must be done to avoid duplication, in which case the same service to be available both at the federal and at the provincial levels of government. This is why provinces are complaining; they need fiscal resources in order to establish their own housing corporation.

• (4:30 p.m.)

Presently, the Quebec housing corporation is borrowing from the Central Mortgage and Housing Corporation at an interest rate unknown to me, but which is below the rate approved by the Minister of Finance (Mr. Benson). Then, the Quebec housing corporation lends money to Quebecers so they can build houses. So, Mr. Chairman, we have, sharing the same field, the Quebec housing corporation and Ottawa's Central Mortgage and Housing Corporation which are competing on the same market. In my view, we should settle this once for all. However, I submit that even if the minister established committees made up of experts the main problem would still remain, we still would have to call together the provinces with a view to define responsibilities at each level of government and to draw up a comprehensive program which could help all Canadians.

Mr. Speaker, I wish to congratulate the minister on his good will, when he expressed his intention to remove the 11 per cent sales tax on building materials.

It is known that since 1965 when this tax was imposed, and even before that, we, of the Progressive Conservative party and of the official opposition, have made representations to the Minister of Finance suggesting that this tax would only slow up the development of this important sector, housing. If the minister considers not only the urban centres—which we hear so much about in the house—but also rural areas like the one I represent, he will realize that there are also in the latter housing problems.

In my home town, for instance with a population of 6,000 inhabitants, some people are unable to find an apartment to rent. There are also people who live in dilapidated houses, when they might have enough capital to build their own house. But how can they do it, when they must pay first of all an 11 per cent tax on building materials, which is an inflationary measure?

When the minister made a statement suggesting that he was in favour of removing the 11 per cent tax, he was right. And I think he should try to convince the Minister of Finance as well as his colleagues, to do so because it is a matter requiring first priority.

Mr. Ralph Stewart (Cochrane): Would the hon. member allow me a question?

Mr. Asselin: Yes.

Mr. Stewart: Mr. Speaker, the hon. member might suggest how we could replace the $300 million that is derived from this 11 per cent tax?

Mr. Asselin: To the hon. member who has just interrupted me, first of all I shall reply that we are not the government. It is the government's responsibility to administer the nation and find the necessary funds to try and balance its budget—if it wants to balance it. However, I suggest that the 11 per cent sales tax that the government persists in maintaining is an inflationary tax. And even if the minister was full of good intentions, if, with his cabinet colleagues, he persists in maintaining that tax, he will never succeed in solving the housing problem in Canada.

Mr. Ricard: The minister said that he was ready to remove it.

Mr. Asselin: The government member who has just interrupted me might perhaps ask

the minister how he could obtain the equivalent of the 11 per cent tax, since, at last, the minister is in favour of its removal. Therefore, I would ask the hon. member who interrupted me—I do not recall the name of his constituency—

Mr. Stewart: Cochrane.

Mr. Asselin: —the hon. member for Cochrane to use his good offices to persuade the Minister of Transport and his colleagues that the repeal of the 11 per cent tax must at all costs be the highest priority with respect to housing, if Canadians are to be interested in building their own house and owning it.

To start with, let us deal with the first priority. Even if the Minister, should, under the terms of the bill, make millions of dollars available to the Central Housing and Mortgage Corporation, he must bring the cabinet to agree to the first measure needed to help those who wish to build a home, that is, the removal of the 11 per cent tax on building materials. Should the minister decide to ask for the help of the opposition to force the cabinet to adopt this measure, he can count on our full co-operation.

Mr. Chairman, several hon. members wish to speak on this bill, but I reaffirm what I said at the beginning of my remarks. Due to the negative attitude of some provinces on the constitutional aspects governing housing, I say that if the minister wants at any price to avoid this constitutional crisis and those frequent arguments between the provinces and the federal government on matters of constitutional jurisdiction, he should first of all call a federal-provincial conference for the purpose of determining responsibilities and jurisdictional powers and to establish overall programmes with the provinces in order to avoid the duplication of public expenditures as well as to bring about some planning to arrive at the best possible solutions of this urgent problem.

As it was said a while ago, housing is the most important problem Canada is facing now. In fact, hardly a week goes without this problem cropping up in our constituencies. The hon. member for Témiscouata (Mr. Gendron) who is sitting in front of me listens to representations made by the people on this problem whenever he goes to his office at Rivière-du-Loup. This is an urgent problem to be looked after by all hon. members and not only by the government members.

Therefore, as the Leader of the Opposition (Mr. Stanfield) was saying a short time ago, we are prepared to help the government solve this very urgent problem. However, the government must, in the first place, elucidate its constitutional position in order to first obtain co-operation from all the provinces when the time comes to establish programs which will contribute to solving the housing problem.

[*English*]

Mr. Comeau: Mr. Chairman, I wish to participate in this debate because I feel we have not paid enough attention to low-income Canadians in rural areas and in the cities. The task force did not pay enough attention to them, and for that reason I wish to make a few comments.

There is nothing new about our present housing crisis. There has always been a housing crisis for Canadians with low incomes or no incomes. As we know, the housing shortage has grown and now affects the middle-income groups. The government set up the task force because the shortage has become a political issue. Many votes are to be gained among middle-income Canadians. Our middle-income groups became concerned about the crisis and finally they wanted answers. They realized they could no longer have adequate and decent housing, and for that reason we are engaged in the present debate. I do not say the task force ought to have visited every little village in Canada, but it did not pay too much attention to our rural population mainly, I suspect, because about 75 per cent of our people live in urban centres.

What does this government propose to do for our low-income families? To qualify for a mortgage loan one's income must be in excess of $8,000. I understand. I do not know how many of the recommendations of the task force will be adopted, but I wish to ask this question. Does the minister intend to make housing available to families with incomes of $5,000 a year? It would be good if we could achieve that. But what of families with incomes of less than $5,000 a year? Many such families exist in our cities and rural areas. Many of our simple, hard-working citizens earn between $50 and $75 a week. They are honest and deserve homes. But, from my reading of the task force report, no provision is made for them.

• (4:40 p.m.)

A news release of the Canadian Conference on Housing quotes Dr. Albert Rose, Proffessor

at the University of Toronto School of Social Work, as follows:

> The most important change that could be made in our national housing policy would be a formal declaration that the federal and provincial governments intended, during the balance of this century, to discriminate in favour of families and individuals at the bottom half of the income distribution.

The news release continues:

> This group he says includes Canadian Indians and members of other minority groups; the elderly and the not so elderly who are single, widowed, or otherwise alone in society; families headed by women with dependent children; families of chronically ill male heads, and so on.

This is quite true. In a town in my own constituency, out of a total of 2,695 wage earners 965 heads of families earn $2,000 or less per annum. This is typical in rural Canada and in many instances in urban Canada. Many Canadians fall into this category. Leaving aside for a moment wage earners in the low salary bracket and dealing with the $3,000 to $5,000 a year group, 60 per cent or two-thirds of our wage earners are in this group. The government is attempting to provide housing only for those earning in excess of $5,000 a year.

There are many in Nova Scotia earning $250, $300 and $400 a month, and I believe the same holds true all across Canada. They are perfectly honest hard-working citizens, but they cannot afford a home. The only way these people in my area are able to have a home is if their father owns a small farm and provides them with the land, lumber and help. These people usually know how to handle a hammer and saw and can help in this way. Many tradesmen are not able to borrow in order to build a home. In urban areas it is almost impossible for someone earning $250 or $300 a month to purchase a home with the cost of living as high as it is. The government is offering nothing to families where the head of the family earns less than $5,000.

I have nothing against raising the mortgage ceiling from $18,000 to $35,000, but what does it do? It provides those who can already obtain a loan or a home with better housing. There is nothing wrong with that, but it does not provide adequate housing for those in the lower income bracket. These people cannot afford high interest rates of 9 per cent on the first mortgage and possibly 15 per cent on a second mortgage. This government is not interested in solving the housing crisis but simply in creating the impression that they are gods in this field. They really do not intend to do much to solve the problem. It has become a political issue. The government is trying to satisfy the middle-class people and provide better housing for those who can already afford a home.

Many good suggestions have been made by the task force. The leader of the Liberal party in Nova Scotia last night stated that Nova Scotia has the greatest housing crisis in the country. I hope he will make representations to the federal government. If the government is not interested in the low-income groups or cannot solve the housing crisis in those groups, then at least the task force should have recommended ways and means for people with low incomes to raise their standard of living. Possibly they should have recommended steps to be taken by the new Department of Regional Economic Development in order to raise the standard of living for these families so they would qualify for loans under the act.

The members of the Progressive Conservative party, and I am sure all hon. members, are interested in seeing that all Canadian families are provided with adequate and decent housing.

Mr. Harries: Before making a comment or two about housing, Mr. Chairman, I should recognize the most generous gesture made earlier in the day by my friend from Edmonton Centre who welcomed me back to the house after I had spent a week end in my constituency. I knew the hon. member had moved his family to Ottawa, but I did not realize that his trips to his constituency were becoming so infrequent that he was getting homesick. From personal observation I can assure the hon. member that his constituency seems to have improved since he left. I will undertake to keep him advised of the progress taking place there.

An hon. Member: How can you? You are here only two days a week.

Mr. Harries: If I may deal with a rather narrow aspect of the housing subject, it seems quite clear that price increases over the past five years have been a major factor in making the housing problem in Canada more critical. I would like to deal with the problem of price and more particularly to refer to the "gold" paper on policies for price stability issued by the Minister of Consumer and Corporate Affairs in December of last year.

• (4:50 p.m.)

In the foreword to that document the minister suggested that the paper might serve as a basis for further consultation with interested economic groups. But surely any policy to maintain price stability must look to having an important impact on housing. I think that there may be the lingering thought in the minds of some people, certainly in my constituency, that the idea of establishing a prices and incomes board on a voluntary basis might be construed as simply another blatant pitch for more empire building and that indeed it would not go very far toward meeting the kind of problems that the report discusses.

The paper issued by the Minister of Consumer and Corporate Affairs describes the Prices and Incomes Commission and what it might do in these terms:

> It will be charged with the responsibility for conducting studies of incomes and price developments in Canada, and for producing regular reports on its findings. The purpose of the commission will be to discover the facts, analyse the causes, processes and consequences of inflation, and to inform both the public and the government on how price stability may be achieved. It will not play the role of policeman. It will not intervene in the particular price and income decisions of individual persons, business firms, or trade unions. It will be empowered, however, to undertake research and inquiries and issue periodic public reports on current trends and prospects for prices, costs, incomes and productivity for the economy as a whole; to make similar studies and reports on various broad sectors and industries; and to engage in related investigations of other broad issues which may have a bearing on cost and price movements . . . To carry out this broad and difficult role, the commission will be given adequate powers of inquiry. It will be provided with the necessary budget and an expert staff. It will also be authorized to engage consultants, and to arrange for the conduct of research by the universities and other bodies as it finds appropriate.

In its preamble the document explains the problems of price stability in its efforts to justify the creation of the commission, and it says:

> The conclusion drawn by the government of Canada from our recent experience is that the present policy tools are not sufficient to resolve the very real conflict that exists at the present time between the objectives of maintaining high level employment and restoring the price stability that is necessary for sustained economic growth.
>
> It may be that by applying the conventional monetary and fiscal levers with sufficient force, the inflation of the past three years could have been brought to a halt. But the immediate cost in terms of the level of unemployment and output foregone would certainly have been high.

I would like to remind the committee, if it be necessary, that the last federal surplus was in 1956. Evidently the fiscal levers that have been discussed here have been largely untried. According to received economic theory, a budget which is neither stimulating nor restraining is a surplus budget since the expenditure multiplier is higher than the tax multiplier. In the last several years, moreover, the money supply has been expanded at an abnormally high rate.

In order to receive exemptions from certain United States measures to halt the gold drain, Canada was committed not to hold more than a maximum number of U.S. dollars. In order to stay below this ceiling, and to keep the exchange rate between Canadian and American dollars fixed, it was necessary to expand the domestic money supply. If Canada were to revert to a floating exchange rate, monetary policy would again become available as a tool for fighting inflation, and I am suggesting, Mr. Chairman, that this is one of the points which has a very direct bearing on housing and the money that is available for housing purposes. In so far as conventional monetary and fiscal levers are concerned, it might be suggested that if we have not tried them we should not spend too much time knocking them.

As a justification for some sort of incomes policy the O.E.C.D. Economic Survey of Canada was cited. In this survey, published in 1968, the O.E.C.D. concluded its analysis of Canada's recent cost and price problems with the following words:

> Canada's price-wage performance in full employment conditions suggests that there is need for some sort of an income policy. A number of other O.E.C.D. countries have been active in this field in the last few years. No country can point to any spectacular success in controlling the rise in incomes this way. This perhaps is not surprising, given the nature of the problems involved progress could hardly be expected to be very rapid. There are indications, however, that income policy in some countries is beginning to play a useful role . . . The decentralized character of the Canadian economy may render the evolution of an incomes policy more difficult than in many European countries, but this may not be a reason for dispensing altogether with efforts in this direction.

It is interesting that two pages later a table showing rises in the consumer price indices of various O.E.C.D. countries reveals that inflation has been less severe in Canada than in any other country except the United States of America, and substantially lower than any O.E.C.D. country which has an incomes policy. Indeed, one can only reiterate, "No country can point to spectacular success in controlling the rise in incomes this way."

The causes of rising prices are again discussed in this report and the question is posed:

> What are the underlying reasons for our recent unsatisfactory price behavior? . . . We lack adequate statistical data and sufficient empirical research in the area of price and income determination in Canada. Thus we are confronted today with explanations that are contradictory and differ with the approach in the particular economic interests of those undertaking the analysis or offering their wage prescriptions—

The document expounds on reasons for changes in relative price, unused resources and so forth, and then talks about time lags in implementing monetary and fiscal policy. No mention is made of the time lag inherent in investigations by a prices and incomes commission into specific price and income changes and the introduction of remedies. Indeed, no indication is given in the whole document about what sorts of remedies might be appropriate to deal with any problems investigated by the commission.

The uncertainties as to how close to capacity the economy can operate without creating serious demand and inflationary pressures are mentioned. Bottleneck problems are also described, but again it is not made clear why these obstacles to the success of fiscal and monetary policy should be less formidable as obstacles to an incomes policy.

One question the document does not answer is: If resources are not to be allocated by a price mechanism, what other mechanism is to take its place? This question is relevant regardless of whether prices are kept down by regulation or through voluntary restraint.

The position of labour is an interesting one in this matter, and I quote from a comment contained in a document, "Labour Costs in Canada", issued by the Canadian Labour Congress:

> Organized labour would resist any incomes policy which, either by design or interpretation, placed heavy responsibilities on labour for exercising wage restraints while allowing other forms of income to find their own level. On the other hand, labour would certainly give consideration to, and be prepared to discuss with other groups, an incomes policy or set of guidelines which took the returns of all factors of production into consideration.

• (5:00 p.m.)

As I read this statement it seems that it simply says that if we are prepared to accept price and income control along with profit control and, indeed, a general control of business, we may expect to carry organized labour along with the concept of an income and prices control board. It seems to me this is hardly the road we ought to follow in meeting the problem of price increases, particularly when we examine the contribution a financial policy might make toward an alleviation of the housing problem.

In the housing report many commendable suggestions respecting methods and organization are made, but I have the uncomfortable feeling that in the face of a 9 per cent to 10 per cent effective interest rate on mortgage funds a lot of these suggestions must assume a relatively unimportant place. The idea of extending the effective term of a mortgage loan to 40 years does not seem to be one that really gets at the basic issue, although it is of some immediate practical assistance. If we cannot get the cost of money down, then it seems that a housing crisis will persist unless there is a substantial increase in incomes or, alternatively, unless we are prepared to create a special financial market for housing.

I do not see that it is possible to contemplate the kind of increase in incomes that is necessary, nor do I see the possibility of creating an effective money market for housing funds that is insulated from the general trend of interest and prices. Certainly I think it is quite clear that the creation of types of voluntary activity such as envisaged by the Minister of Consumer and Corporate Affairs in the prices and income board is not likely to provide a solution. On the other hand, an effective reduction in interest rates can in my submission only come about as a result of a monetary and fiscal policy that explicitly recognizes the effect that massive increases in the supply of money, under what has been generally called an easy money policy, have had on interest rates.

If we are to avoid a continuing crisis not only in housing finance but in the financing of any small enterprise, I think it is absolutely essential that our efforts be directed and devoted to bringing the effective rate of interest down through a controlled fiscal and monetary policy. I do not believe this in any sense represents a solution to the housing problem but I would remind you, Mr. Chairman, that typically the rate of housing development has moved inversely with the rate of interest and that the supply of money has not been particularly large during times when the interest rate has been high. In other words, I think there is some historic evidence to support the proposition that you can get adequate flows of capital into the housing market in the face of relatively modest interest rates. I therefore commend that section of the housing task force report that deals with finances

as being an important section. I would also suggest that a general review of our fiscal policy, having in mind the particular problems of housing, would be most appropriate and I would hope it would be done at an early date.

Mr. Paproski: Mr. Chairman, if I might rise on a question of privilege I should like to say to the hon. member for Edmonton-Strathcona that I am sorry I was not in the house at the beginning of his dissertation. I should also like to say that I would not want to deprive him of an odd week end in Edmonton and that if he would be so kind as to send me a few copies of his speech I will say to the people of Edmonton-Strathcona, "Yes, Virginia, there is a member for Edmonton-Strathcona".

Mr. Macdonald (Rosedale): Mr. Chairman, perhaps I could rise on a point of order before the debate continues. I think it has been generally agreed that the hon. member for Winnipeg North will speak next on the question of housing and thereafter, notwithstanding the previous agreement, that the hon. member for Abitibi will be given the opportunity to speak on the question of regional development. Then after any response my colleague the minister responsible may have on the question of regional development we would once again return to the subject of housing for the purpose of completing the debate on that.

Mr. Bell: Mr. Chairman, I just want to be certain that there will be a cut-off time with regard to the discussion of regional development. I know the minister has said so, but I should like to be sure that only one member will speak on that subject, plus the reply of the minister. We do not want to become involved in a debate on regional development when we have the subject of housing before us. As long as that is understood we are quite agreeable.

Mr. Macdonald (Rosedale): One member would speak and then there would be the reply, if any.

Mr. McCleave: Mr. Chairman, on the point of order raised by the government house leader I should like to say that last night I asked the Minister of Transport to give answers concerning the four $1 items with which we are engaged at this time. The minister did not extend to me the courtesy of an answer and did not give the Standing Committee on Miscellaneous Estimates the courtesy of an answer either. If this debate is to have any pertinence, the minister must be accountable to this committee and let us know how close we are to each of the four ceilings set out in these items. I hope the government house leader will take his colleague aside and persuade him, when he does come back tonight, to give us this information; otherwise there will be a prolonged debate on housing.

The Chairman: Before I recognize the hon. member for Winnipeg North I might advise the committee of the subjects to be dealt with at the time of adjournment.

The hon. member for Winnipeg North Centre—Old Age Security—payment of income tax on guaranteed income supplement; the hon. member for Waterloo—drugs—Mace—tests to reveal possible dangers; the hon. member for Churchill—Sports—National Hockey team—invitation to Canadian Hockey Association.

Mr. Orlikow: Mr. Chairman, hundreds of thousands of people in this country are living in totally inadequate housing accommodation. I am being very conservative when I say there are hundreds of thousands of people in every city in Canada, in the rural areas and in the mining communities, as well as Indians and Métis, who are living in inadequate housing accommodation. Probably a million or more people who are either purchasing homes or renting accommodation are paying substantially more than they can afford to spend on housing. They do so simply because no other accommodation is available at prices they can afford. So it did not take a task force to tell the people of Canada or the members of parliament that we face a housing crisis.

We have had studies at the national level by government departments. We have had studies at the national level carried on by Central Mortgage and Housing Corporation. We have had studies at the provincial level by provincial governments, and we have had studies at the municipal level which have been carried on by the municipalities or by corporations established by the municipalities. If we had $1 for every study which has been carried out I am sure we would have sufficient funds to build a substantial number of the houses which are needed to meet the needs of the Canadian people. Therefore it made no sense to me when it was announced that a task force would be established to study housing needs in this country. Now that we have the report of the task force I am

more than ever convinced that nothing useful can or will be obtained as a result of this study.

(5:10 p.m.)

Before I go into what I think were the major faults of the task force I want to deal with some statements made yesterday by the minister. I am sure those statements satisfied no one but the minister and possibly the reporter for the C.B.C. who obviously has his housing problem solved. He did not see anything of value in what was said by members of the opposition.

The minister said there will be enough houses built in the coming year. He is confident as a result of discussions that there will be sufficient money available to provide the necessary financing. He went on to suggest that the freeing of interest rates on mortgages under government authorization, which took place some time ago, will sufficiently improve the housing situation to satisfy the needs of the low-income groups. The minister also suggested that we would meet the required 200,000 housing units this year. I suggest that this target is much too low, and that the interest rate of 9 per cent or higher will have the effect of freezing out more than 90 per cent of those people who wish to purchase homes.

The minister is not in his seat at this time but I hope he will pay attention to what I have to say as well as to the speeches by the hon. member for Greenwood and the Liberal member for Davenport. He pointed out the tremendous problems which exist in Toronto in respect of those people in the $5,000 to $6,000 income bracket who wish to obtain housing. Nothing the government has done up to now has had any effect on this situation, and nothing that the task force has recommended will have any effect.

Let me make a few remarks about the task force and its report. The minister said last night that its recommendations were unanimous. He took that as an indication of approval of the policies he recommended. Of course the recommendations of the task force were unanimous; the minister picked the members of that task force. He got a kangaroo court to act as jury and hangman. I have a great deal of respect for Mr. Campeau. He is an extremely successful builder, but he builds offices and buildings which he rents to the federal government and its departments at very high rents. He also builds houses and apartment buildings. I had the fortune or misfortune to live in one of Mr. Campeau's buildings for four years. It was a very good apartment building and I have no complaints about it. The bulk of the people in Ottawa and other cities who rent space in this kind of project find living simply impossible because they cannot afford the rents.

We have heard from that esteemed lady from Nova Scotia whose practical suggestion to the people living in public housing projects in the city of Toronto was that even those without children found it impossible to save money. I suppose they represent the people in the $5,000 to $6,000 income bracket. She suggested that they do without telephones as a means of saving money. In 100 years by saving $5 or $6 per month they might accumulate enough money to put a down payment on their own homes. That is the kind of people the minister put on the task force. Yet he now wonders why he received the kind of report he did.

There was not one single representative of labour or of co-operatives on that force. Dr. Laidlaw, the former secretary of the Co-operative Union of Canada, has had long experience in the field of housing in Canada, particularly housing for low income groups. He was not called upon for his advice or experience. There was not a single representative on the task force of the people who live in public housing projects already built. The minister wonders why we are dissatisfied with the report of the task force and its recommendations in respect of public housing.

The minister says it is his hope and intention that everybody in Canada will in the near future have the ability to obtain the kind of housing they want. What kind of a choice do the tens of thousands of people have who are receiving incomes of $3,000 or less? What kind of a choice do those people have who are living on welfare? What kind of choice do those thousands of people have who are separated from a husband or wife? Let me remind the minister that these people are trying to raise children. What choice do they have in respect of housing?

I suggest we have ignored those in the low income brackets who live in public housing projects. We have ignored also those people who would like to live in housing projects. The hon. member for Davenport mentioned that between 14,000 and 16,000 people in the city of Toronto have applied for public housing. What are we doing for them? We are ignoring them.

Michael Wheeler, an expert in the field of housing, in a speech he made to the annual conference of mayors and municipalities in 1967, pointed out that in the period from 1964 to 1966 some 84 per cent of the money the federal government spent on homes went to people in the middle and upper income brackets.

An expert in the field of public housing in Toronto once referred to this government practice as socialism for the rich. Only 6 per cent of federal government money is directed to housing for those people in the low income brackets. This is socialism for the rich and free enterprise for the poor. That is the type of housing program we have. We have ignored the needs of the people in the lower income brackets.

Now for the first time we have received a government document issued under the auspices of a minister of the Crown which in fact pours ridicule and scorn on the efforts we have made in the field of public housing. This document recommends that we stop even the miserably small effort that we have been making in this regard. Let me refer the Minister without Portfolio who comes from my own city to page 55 of the report of the task force. It states in part, as a recommendation of the task force:

> The task force therefore recommends:
> The federal government initiate a thorough research program into the economic, social and psychological issues of public housing. Until such a study is completed and assessed, no new large projects should be undertaken.

What has happened is that all federal housing projects have been suspended as of now until some time in the future. The minister has talked about the fact that the task force went out to interview people living in public housing projects and heard nothing but complaints. In case the minister does not know, let me tell him that if he talks to anybody living in public housing he will hear nothing but complaints. I can tell Mr. Campeau that I heard a great many complaints when I was living in his project, and it was a high-rise apartment, not a public housing project.

• (5:20 p.m.)

One question which the minister and the task force should have asked the people living in public housing projects they obviously did not ask. It is a very simple question. They should have asked the people living in public housing projects: How do these accommodations compare with those in which you lived before? We have in my constituency a large housing project, the Burrows Keewatin project. I have criticisms of that project, but I tell the Minister of Transport, and I think the Minister without Portfolio knows this, that the accommodations there are 1,000 per cent better than the slums from which those people came.

A new housing project has just been opened in a corner of the constituency represented by my colleague the hon. member for Winnipeg North Centre. There is a good deal wrong with it. It has walls around it six feet high. I do not know why. This makes it look like a prison. I do not like that. But I tell the Minister of Transport that this accommodation is infinitely superior to that in which these people lived previously. Yet the minister does not say: We are going to do better in the future and learn from the mistakes we made. He says: We will suspend these projects. We are not going to go ahead with them in the near future. Nothing more disastrous for the ordinary people of this country has been said by a minister of the Crown since world war II. The task force goes on to say at page 57 of its report:

> As a further alternative to public housing, serious consideration should be given to a program of income supplements to permit low income families to rent or even purchase housing according to their own needs in the private market.

As long as we have the tremendous shortage of housing that we have at the present time, what will a supplement for low income people mean in the field of housing? I suggest that what it will mean is very obvious. It will mean a bonanza, a gift to landlords, particularly slum landlords. If this is what the minister is proposing, without a very substantial increase in total housing starts, particularly total housing starts for low income people, it will not mean very much to the ordinary Canadian citizen. The minister and the task force are proposing, in effect, a gift to people who are already making a substantial profit on their investment. Let me quote from a *Financial Times* news service item which was reprinted in the Winnipeg *Tribune* of May 1, 1968:

> Despite the widespread increases in wages last year, landlords and bond investors, not wage earners, made the biggest gains in income.
>
> Rent, interest and miscellaneous investment income rose nearly 13 per cent in 1967, the Dominion Bureau of Statistics reports. Wages and salaries averaged only a 9 per cent increase.

The minister is not addressing himself to the problem of providing more public housing, more housing for rent at prices which the

ordinary person in the low income group can afford. Instead the minister proposes to stop this program temporarily—and we know how long "temporary" can be with this government. The report of the task force, which was of such high priority that the minister was absent from the house literally for weeks on end, has now been before us for almost six weeks and there is no indication at all that the government intends to bring forward legislation in the near future implementing the supposedly good recommendations contained in the report. The minister proposes that rent supplements be paid to tenants. I suggest this will immediately lead to increases in rents because landlords know that there is a shortage of housing accommodation.

The minister said a number of things last night which it is almost impossible to believe were said in a serious way. He said the government had commissioned a study by Central Mortgage and Housing Corporation to ascertain what the effect of a shortage of housing accommodation would be on the cost of purchase or rent of living accommodation. One does not have to be very wise to understand what will happen. The Liberal government believes in a laissez-faire economy and the law of supply and demand. Therefore it knows that if there is a shortage, as there is, of housing accommodation, the price of housing will stay at its increased level. The government knows that if houses are built for sale or rent in large quantities and there is a surplus, which we have not had for 30 years and probably will not have for another 20, the price of housing will go down.

The minister thought that what the government had done was great. He talked about the advantages of imposing on land developers a capital gains tax on unearned increment. My colleague the hon. member for Winnipeg North Centre heard this and said that although the minister may not have accepted socialism yet he may come to that point 50 years from now because he has accepted Henry George's single tax idea. What good is it if the Minister of Transport, who is in charge of housing, thinks it is a good idea? We would like to know what the Minister of Finance thinks of this idea. We would like to know when we will have the kind of capital gains tax which was proposed several years ago by the Carter commission.

The minister and the task force have been great in making recommendations about things over which the minister and the government have no control. The task force made a whole host of recommendations about matters which are clearly the responsibility of the provincial governments. About these, of course, the minister waxed eloquent, as did the task force. We have to take into account what I consider to be the harsh, completely uncalled for, negative approach of the minister and the task force to the problems of public housing. The hon. member for Davenport mentioned that there are in Toronto a very large number of people who need housing. The same is true of Montreal, Winnipeg and Hamilton.

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Orlikow: Mr. Chairman, I wonder whether I could have one more minute to roundoff my thoughts in this regard.

Some hon. Members: Carry on.

Mr. Orlikow: The task force has ignored, in fact, has done more than ignore and has heaped scorn on all the public housing projects which have been built up to now. It has called a halt to public housing projects. It has called a halt to urban renewal. It has done this precisely in those areas in which government action is needed most. It has completely ignored the needs of the people who are really in the worst shape so far as housing is concerned.

• (5:30 p.m.)

[*Translation*]

Mr. Laprise: Mr. Chairman, I am indebted to the house for this opportunity to discuss Bill C-173 for a few minutes. I shall not deal with the clause concerning housing but with that one regarding the estimates for the Department of Forestry and Rural Development which will soon become the Department of Regional Economic Expansion. I also thank the minister for being in the house at the present time and I would like to give him the assurance that my remarks will be as brief as possible.

If I asked to have the floor, Mr. Chairman, it is because I must be in my constituency tomorrow in order to attend a debate on the unemployment insurance arbitration board, and when Bill C-173 is examined again next week, I shall have to go away once more for the Committee on External Affairs and National Defence, of which I am a member, will be meeting in several NATO countries.

So, Mr. Chairman, the question I want to raise this evening concerns a vast portion of the Northern Territories, not the Northwest Territories as such, but the territories north of Quebec, comprising Abitibi and what is usually called Northwestern Quebec.

Recently, I attended in Rouyn a symposium organized by social workers to make the government aware of the needs of the people of that area and try to find a solution to the problems faced by too many people of that vast area. There, I found out from data supplied at the meeting that over 40,000 people live on hand-outs from the Department of National Health and Welfare. As the total population is about 165,000, it means that 25 per cent of the population must depend on the Department of National Health and Welfare payments to live. Moreover, this does not include the many people living off unemployment insurance benefits, and many more whose income is inadequate to meet their obligations and also maintain a decent standard of living. So that is the situation prevailing in Northwestern Quebec now.

Some businessmen have suggested to start new industries to provide employment for the people of that area and to stabilize the industrial economy of Abitibi. But these men must face all the problems of competition against other areas getting better aid from the federal government. In fact, I see on the list of designated areas that Abitibi is surrounded by a sort of horse shoe. All around areas may benefit from the lesiglation on designated areas act, while my own area of Abitibi is not eligible.

Why? Because the unemployment rate, according to the criteria used up to now, and the employment rate in our area would seem adequate to prevent it from being declared a designated area.

I wished to open the debate tonight because I believed that the new department to be entrusted to the present Minister of Forestry and Rural Development (Mr. Marchand) will have more leeway to decide which areas should get grants to improve labour conditions.

Since we shall no more speak of designated areas but rather of special areas, I wish to call the minister's attention to the urgency of considering northwestern Quebec as an area whose population is in great need of assistance to attract industries that will provide work for the unemployed. Those people have to content themselves with public assistance, and theirs is the fate that awaits the young people soon to leave school.

Our region is now endowed with fine secondary schools which qualify our young people for the CEGEP or the university. They will want to go on with their studies and get degrees so that they may be able afterwards to put their knowledge at the service of their fellow-citizens. But if we fail to develop our resources these young people will go somewhere else, to other areas, to other provinces and maybe to other countries to find employment.

So, Mr. Chairman, it is urgent that the Canadian government should do everything possible to recognize this region as a designated area which will permit it to avail itself of its share of taxes so that its people may progress and find there the employment and economic welfare to which they are entitled.

A few months ago, a conference was held in Val-d'Or and the main speaker was Mr. Richard Rohmer, a Toronto lawyer and board chairman of the Foundation of the Middle North of Canada. I feel that this rather recent foundation is called upon to obtain great achievements in the near future. This is Mr. Rohmer's statement on that occasion and I quote:

> The inheritance of Canada is made up of its lands of the North and the Middle North. It is in those areas that is found our great wealth in national resources at ground level or underground. It is from the North and the Middle North that flows most of our economic power, the blood which will enable Canada to develop and prosper.

Mr. Chairman, I found that those words apply perfectly well to the northwestern area of Quebec which abounds in natural wealth of all kinds, forest, mines as well as people. The development of those natural resources would enable the entire country to profit therefrom.

Now, Mr. Chairman, I will continue to read from the statements made by Mr. Rohmer on that occasion, because I feel that they are quite important. I quote:

> There will be about 100 million people in Canada in the year 2067. The figures come from a study of the present increase in population, that is by immigration and births, and are based on data from the Dominion Bureau of Statistics.
>
> Considering the data, there must be a collective effort all over the country to establish and organize a long-term economic development plan for the utilization of the lands and resources of the inhabitable regions of the Middle North. Otherwise, our population will be concentrated along the border with the United States, particularly in the Great Lakes region.

Mr. Chairman, government support is often requested for the development of some areas and, from time to time, we hear ministers or

heads of government say that the population must not rely on government assistance only.

• (5:40 p.m.)

Indeed, Mr. Chairman, this remark by no means applies to the people of Abitibi, since it is the third winter that works are undertaken and financed exclusively by these people in order to build, as far as James Bay, a road which will be the first to join the south to the sea. It is the people of Abitibi themselves with their own resources, who cleared the land in order to build a road to the sea. No help has been granted so far by the government. This proves, Mr. Chairman, that the people in north-west Quebec are not lazy and do not rely on the help of the government, even if it is said and rightly so perhaps, that at the moment, the principal industry in Abitibi is social welfare. The people demonstrated with the help of businessmen and the general support, that they wish to develop their resources and their territory in order to place it at the disposal of all people.

At this stage, Mr. Chairman, I should like to say why we want to develop our region. We do not ask the government to finance these developments alone, but rather to help those people who have already started to clear new territories so that our young people may settle there before others do so. I would now like to quote an article that was published in the paper *La Frontière,* on the 6th of December 1967:

It is useless to open lands if trade and industry are not promoted to the same extent in order to absorb the products and the surplus of manpower.

One must go where natural resources are to be found. It is impossible to maintain artificially the economy of a region by vague promises and low subsidies.

The benefits to the people of the Northwest of this road—

—which is already under construction—

—can be summarized under three main headings:

A—Mines

B—Forests

C—Trade and tourism

A. Where mining is concerned, this road will open to the people of the Northwest and of the province of Quebec in general, a new area of prospection and development, available to all, whether by land or by sea. Cape Smith is surrounded with mountains of asbestos and nickel. The Trinity or Belcher islands have countless fields of magnetic iron and copper. Close to the Big Whale River, there are beds of lead and zinc. There are fantastic oil fields under the Phélypeaux islands. There is plenty of natural gas along James Bay. The limestone of the Phélypeaux islands is just as wonderful as the limestone you find in the Paris area.

[Mr. Laprise.]

Prospectors hired by the Selco Exploration Ltd. and by two other Canadian companies, the Canadian Rock Co. and Hard Metal (Canada) Ltd., are now digging for diamonds in the vicinity of James Bay and Hudson Bay. I guess this is enough—

Mr. Chairman, this is likely to arouse the interest of businessmen and governments in this area so as to make it available to the people who want to develop it. He goes on:

As for lumbering this road will open to our lumber contractors the invaluable wealth of forests located along the rivers flowing into James Bay. Trees there are now fullgrown and it is high time they should be felled.

I gather from a recent study conducted by Michel Cicé, an engineering expert, that it would be possible to set up three more pulp and paper mills in this vast area, and about 100 saw mills to process lumber.

You may well imagine Mr. Chairman, the inexhaustible opportunities for lumbering in this territory.

I go on quoting:

C—If we now consider trade and tourism, this road, while giving access to the Arctic and Atlantic oceans will enable our people to expand into an area hitherto out of reach because of prohibitive costs.

Huge commercial fisheries can then develop into a profitable enterprise the best fish in the world, that of the Arctic ocean. By considerably speeding up deliveries and exchanges in the James and Hudson Bays, this road will gradually promote trade.

The North Sea has now been spoken of for over 300 years. Needless to say once the road is completed, it will become an irresistible tourist attraction.

Mr. Chairman, I have pointed out these facts to the new Minister of Regional Economic Expansion this evening to give him all the reasons needed to recognize the northwestern area of Quebec as a special area so that it might obtain the required subsidies for the businessmen, the industrialists who wish to set up new industries, or process on the spot the resources found there, such as forests and mines.

As I pointed out to the minister last year, we cannot be expected, because of the distance that separates us from the large centres, to import raw materials to process them and then export them. We must therefore endeavour to develop and process our natural resources where we find them and then offer them to the Canadian or foreign consumers.

Mr. Chairman, I feel therefore that the Canadian government, through its minister, should study carefully the proposals submitted tonight and fully support the development of northwestern Quebec and, in particular, the construction of the access road from

Abitibi towards James Bay so that the natural resources located there can be developed.

Being a member of the committee on Indian affairs and northern development, I know that the government spends rather large amounts of money for the development of the Northwest Territories and the Yukon. I agree with the efforts the government makes to help them develop. I know that 40 per cent of the exploration costs in those two areas are paid for by the federal government.

I therefore feel that the government could put relatively large amounts of money at the disposal of the Minister of Regional Economic Expansion for the development of the Abitibi region, that this area might also participate in the economic development we are witnessing in Canada today, so that its inhabitants, who want to live there and develop the area, can enjoy the same standard of living as other Canadians as well as the same advantages.

Mr. Chairman, I make those remarks for the information of the minister trusting that he will turn a ready ear to them and give effect to them.

Mr. Marchand (Langelier): Mr. Chairman, I have not much to say about the comments made by the hon. member for Abitibi.

I agree with him on the problems facing that area. I think we shall have to find solutions; either through the legislation which enables us to designate areas or otherwise. I do not know. I think that the hon. member has no prejudice as regards instruments which can be used. He only wants the federal government, like other governments, to be able to help the area develop its natural resources.

Therefore, we are in complete agreement on the objective to be achieved.

I will probably have much to say on the bill establishing the department. I am convinced that during the debate I will have the opportunity to answer many of the hon. member's questions. I can assure him that I listened to his remarks this afternoon with an open mind.

[*English*]

Mr. Bell: Mr. Chairman, there seems to be some agreement to call it six o'clock. If I may, I should like to call it six o'clock.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

The Chairman: 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.

Mr. Yewchuk: Mr. Chairman, on July 17, 1968, the cabinet of the newly formed Government of Canada met and decided to establish a task force to look into the problem of housing in Canada. The transport minister was appointed to act as leader of that task force, the terms of reference of which were to examine housing and urban development in Canada and report on any way in which the federal government, in company with other levels of government and the private sector, could help meet the housing needs of all Canadians and contribute to the development of modern, vital cities. In theory, all this sounded beautiful. With a great burst of publicity the task force kicked off some time in August or September. For a short time it was impossible to turn on a television set or pick up a newspaper without seeing either the smiling face of the Minister of Transport or his sideburns, depending on the angle of the camera. I confess that the face was not an unpleasant one.

When the task force was set up the Canadian people were led to believe that finally, after many years, something would be done to solve our housing crisis. The task force took on the appearance of a travelling entertainment show or highly publicized circus, one might say. Unfortunately, the report it brought down did not live up to our expectations. The only tangible product of all the trips the task force made was an evening film show presented in a partially darkened room with a spotlight on the minister's face. We saw various slides of the housing situation across the country and heard a solemn voice describing the adverse conditions that were found.

Some recommendations of the report sounded reasonable enough, and I wish to talk about two or three of them. I wish to begin with the problem of interest rates. Speaking to the national conference of the Canadian Home Manufacturers Association, the minister said in Toronto on January 13, in part:

> As an indication of the achievement of the housing program between 1951 and 1961, the number of dwellings without a piped water supply declined from 26 per cent to 5.5 per cent—and more importantly between 1949 and 1964 the average cost for an NHA bungalow increased 36.8 per cent while disposable income per capita went up 87.2 per cent. Because the rise in incomes exceeded

that of housing prices, the working man in Canada had the opportunity of buying and owning his own home.

I point out that the period when housing was in adequate supply ended in 1964, one year after the Liberal government returned to power. The minister went on to say:

Then a series of converging forces altered that favourable position. Housing starts in 1966 fell off drastically. In 1964 and 1965 there was an average of 165,000 housing starts. In 1966, this fell to 134,474. The culprit was largely rising interest rates that drew money out of the mortgage field and generally forced up costs.

I am glad the minister recognizes that the major culprit in our housing problem is high interest rates. It is, therefore, a paradox to find the minister recommending as item No. 5 in the report of the task force that:

The interest rate for insured loans under the National Housing Act be freed to find its own level in the financial marketplace.

That recommendation is not in keeping with the speech he made on January 13. If interest rates are to find their own level they will go up.

Next, I wish to speak about the recommendation regarding the removal of the 11 per cent sales tax on building materials. The Canadian people were pleased when the minister announced he thought the 11 per cent sales tax ought to be removed. It must be remembered that similar announcements had been made during the election campaign in June. It does not seem that that recommendation will be carried out, however. Only a day or two after the task force report was tabled or released the Minister of Finance was asked whether he would agree to remove the 11 per cent sales tax on building materials. He stood up and said simply, no. He offered no explanation for his refusal. Here we have a senior cabinet minister recommending something one day and the very next day another senior cabinet minister saying no to this recommendation. To me that does not represent cabinet solidarity. If there is disagreement in the cabinet, the country suffers.

• (8:10 p.m.)

The third aspect I would deal with is the problem of housing, particularly with reference to people living in conditions of poverty. I would place in this group Metis, Indians and many white people with low incomes. Under the present legislation, N.H.A. mortgages are not available to people who earn less than $8,200 a year. I venture to say this covers more than half the working population of Canada. It includes Indians and the vast majority of Metis people as well as farmers who live on small mixed farms on the prairies. It also includes the vast majority of the labour force in the towns and cities.

The report does not offer a solution to the problem of housing faced by these people. With regard to the Indian people, the situation is not as difficult. The Department of Indian Affairs and Northern Development realized there was a problem and set up a program which I would suggest the Minister of Transport examine. The department assists the Indian people to build houses, not expensive houses but more or less up to date houses with most of the modern conveniences which people expect. On a reservation an Indian must provide $500 worth of work or cash and the balance is financed by the department. In this way the Indian becomes the proud owner of a new home.

In Alberta there are several colonies of Metis people which are administered by the Metis rehabilitation branch. There is a housing problem for these people who live in the colonies which allows them to receive a new house under similar circumstances. These people must also pay a certain amount of money, approximately $500, either in the form of cash, labour or materials and the balance is financed by the provincial government.

The program for Indian people is carried on in areas other than on reserves. If an Indian person is working away from the reservation he is still entitled to the benefits of this housing program. Most people do not realize the difference between Indians and Metis. Most of the colonies are not economically sound areas. They are presumably set up as agriculture areas and are not self-supporting. The Metis are forced to live in colonies to qualify for new houses. If they work in urban areas some distance away they are forced to live in a colony in order to get a new house. I am familiar with some Metis people who must commute 30 to 50 miles to their place of employment. I suggest that Metis people should qualify for houses away from colonies in the same way they qualify in colonies. The regulations should be similar to those for the Indian people who qualify for housing although they do not live on reservations. This would solve the problem for many Metis people. There is no reason why such a program should be restricted to Metis people. It

should also be available to those who have only temporary employment or for one reason or another do not have high incomes. These programs are financed by federal and provincial government funds.

I was a little upset with one of the recommendations of the task force that, to some extent, public housing should be discontinued for the present. The suggestion is that until a study is made of the various psychological and sociological factors affecting people who live in public housing, no major starts in public housing should be made. I wonder if this is a good suggestion. I am inclined to think it is dangerous as it may remove the possibility of certain people in low income groups having adequate housing when there is no reasonable alternative plan. I hope public housing is not discontinued in the same way as the winter works program. The country was led to believe the winter works program would be replaced by a better program, but as yet nothing has been done.

I conclude my remarks by saying that the task force did produce a lot of useful information. Canadian people were led to believe that the problems of housing would certainly be solved, not necessarily quickly but positive suggestions would evolve. I am sorry to say that I have not seen any such results. This task force was another big hoax perpetrated on the public of Canada in the same way as the one on June 25. I hope the minister responsible for housing takes into consideration some of the suggestions put forward today and makes an honest and earnest effort to solve this major problem faced by Canadians.

Mr. Perrault: Mr. Chairman, we have heard unkind words about the housing policy of this government and the minister responsible for housing during the past weeks, days, hours and minutes. Wild charges have been flung with abandon around the chamber. We have heard the words "hoax", "folly" and "fraud". These are very serious terms to be employed by responsible public servants. We have heard people such as the hon. member for Winnipeg North suggest that the housing task force report contains a recommendation that public housing in this country be abandoned. This afternoon we heard the suggestion that government is reneging on its responsibility to those in the unfortunate position of attempting to support a family on a marginal income.

• (8:20 p.m.)

This is totally irresponsible talk. The serious aspect about it is that it is causing serious concerns in the minds and hearts of low income families across the country. These are unjustifiable concerns. When an elected member of parliament stands up in his place and makes a statement that fraud is being perpetrated then he should be able to justify his remarks, but so far in this debate we have not heard any evidence advanced.

Yesterday, referring to the housing task force report, the hon. member for Greenwood assured all of us that "the document is a colossal flop," and the hon. member for Broadview told us the report is "a fraud". To be charitable, and it is difficult to be charitable after listening to this line of debate, and one can only suggest that members in the opposition, at least a number because some of them are ordinarily responsible, have failed to read the report and study its contents. We know them. We have heard them attempt to stir up the fires of division in this country. In this debate, their contribution has hardly added to the sum total of human knowledge and understanding of the task force report, the most important document produced on housing since Confederation.

The cabinet made its decision on July 17 last. There had been a great deal of criticism prior to that date. Members in the opposition had said, "This is a do nothing government. They are doing nothing about the housing problem." Some of them said, "What we want is a study of the problem." Then, the study was commenced on July 17, authorizing the Minister of Transport to establish a task force on housing, "which would report to him within six months starting in September."

The minister then proceeded to carry out this authorization, and he did so with dispatch. He established the terms of reference for the task force. Then of course criticism began to come from the opposition. Opposition members asked, "Why is the government studying the problem when it should be acting the way we would if we were charged with responsibility?" The opposition line changed. The concensus was that we did not need a task force, that instead we needed action.

As I say, the terms of reference were established:

—"to examine housing and urban development in Canada and to report on ways in which the federal government, in company with other levels of government and the private sector, can help meet the housing needs of all Canadians and contribute to the development of modern, vital cities."

Predictably, the attack began and one really began to wonder whether or not some members of parliament were more interested in trafficking in human misery than they were in trying to find valid solutions to the housing crisis which afflicted the Canadian people. They have not acted to achieve a greater understanding of the issues involved in housing. Had the government failed to establish the housing task force on July 17, the line would have been, "The government won't even study the problem." We know this.

I am not going to attempt a complete review of the report but after observing the task force in action in certain parts of the country I can only say that it conducted its deliberations with care, with attention, and with an eminently responsible attitude and a conscientious approach to the problems of the Canadian people. I think it is unfortunate—

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

Mr. Perrault: If it is a short one.

Mr. Valade: It is a short one. When the task force was in Montreal, which has a population of 3 million people, to study the housing problem, it spent a day and a half there. Does the member imply that this is a serious study of the question?

Mr. Perrault: Mr. Chairman, I will answer only by saying that for months the opposition said, "The problem is so urgent that we must act quickly." The task force itself said it did not have sufficient time to do the kind of study it would have wished. If you read the document you will find those words in the report. They did not spend enough time in Vancouver, in Regina, in Moncton, New Brunswick and many of the other centres, but the time they did invest was well spent. This is the point I am trying to make.

But I say it is unfortunate that after we ask a group of Canadians, knowledgeable Canadians, to form a task force on housing, these people are accused of fraud without any right of defence on the floor of this house. When we say that this report is a fraud, when we say it is a hoax, we are making a serious charge against knowledgeable and responsible Canadians who invested time, energy, intelligence and judgment in the preparation of the report.

Those who allege that the low income groups have been forgotten simply have not read the report. Either they have not read it or they refuse to believe its contents, or they choose to place upon the report a special construction for their own narrow, political ends.

Some hon. Members: Oh, oh.

Mr. Perrault: Despite the television broadcasts over the week end, and despite the statements made by certain members in the opposition, the report does say that the present program of low cost housing can be improved. It does not say to scrap it. The report does not ask for an end to decent, low cost shelter for low income groups and people with limited means. The report says that in a modern society surely we can evolve new and different criteria to guide our program, so that new and better housing can be provided for low income groups.

This nation, which is supposed to be a haven for this government which is perpetrating fraud, built 200,000 housing units in 1968. On a per capita basis, this represents more construction than was undertaken in the richest nation in the world to the south of us. And the 1969 outlook is even more encouraging, with the figures for January and February probably up.

Let me suggest to some of the critics in this house that many of them were noticeable by their absence from the meetings held across this country by the housing task force. There is a list in existence of those who attended, and I repeat that many were conspicuous by their absence. Had some of these vocal critics tramped around 25 public housing projects from coast to coast with the task force, in all kinds of weather, talking to people in all economic strata, under every conceivable condition, they would have tempered their judgment with a degree of reason.

Some hon. Members: Oh, oh.

Mr. Perrault: I attended some of the task force meetings and I can tell you, Mr. Chairman, that some of these vocal critics were not there.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order. I ask hon. members of the committee to be patient enough to listen to the speech being made. I have no doubt hon. members know very well the elementary rules of the house.

Mr. Perrault: I attended an excellent meeting at the Skeena Terrace project in the lower mainland of British Columbia. A group of government members were present, and it

is too bad that the schedules of opposition members did not permit them to attend, to watch the task force in action and see the Minister of Transport who undertook a difficult job. I came away with the same conclusion as did the task force, that low income families need more help, but surely society can do more than condemn them to a housing ghetto.

Some of the statements which we heard at the Skeena Terrace project—and it is a good project of its type—were statements that I would not want to repeat on the floor of this house because they were framed in such bitterness and such disillusionment that they would shock many people. Severe and damaging results have ensued to many families in housing projects. The report simply says that we can provide better, more humane, more acceptable housing, and that we can produce more effective methods of assisting low income families.

• (8:30 p.m.)

Then, we might turn to page 55 of the report. I am afraid perhaps the pages in the copies which some of the opposition members have are stuck together because their copies have never been opened. Reference is made to a research program into the economic, social and psychological issues of public housing. I have a copy of the New Democratic party platform before me. I find at page 43 of the housing task force report, which is condemned in such bitter terms in this debate, that there are measures advanced to provide generous financial assistance to meet the housing crisis. What is the number one point in the New Democratic party platform on housing? It is to provide generous financial assistance to meet the housing crisis. Then, the second recommendation is to bring down the cost of mortgage money. When I turn to the task force report I find four proposals to bring down the cost of mortgage money. That is point number two in the New Democratic party platform. Then, their platform reads:

> Support the principle of integrated community development so that transportation, schools, recreation and shopping facilities are developed together with new and renewed housing.

Lo and behold, when we turn to page 55 of the housing task force report we find this:

> There are obvious limits as to what can be done by way of physical restructuring. But the members would suggest that every effort be made to utilize vacant or redevelopment space within the immediate area to relieve some of the present shortcomings for recreational facilities and open space.

Point number four in the N.D.P. platform is, "Encourage the development of new towns in areas of urban congestion." Then, I turn to page 75 of the housing task force report—

Mr. Peters: If you could get it from the N.D.P. platform, why did you have to turn to the task force?

Mr. Perrault: —where I find the following:

> The Federal Government, in co-operation with a provincial government, should seriously consider the construction of a "new city" as a pilot project—

Yet, as we know, this is a report condemned out of hand by the socialist members of this house. Despite that, it contains all the four main points in the N.D.P. platform for the last election campaign. We might ask what are the real motives of some of the critics and do they have a greater interest in amassing votes for a national election than in a real concern about serving the housing needs of the Canadian people? They have referred to the housing task force report as a hoax and a fraud. Does that mean that the New Democratic party platform is a hoax and a fraud?

We, on the government side, do not believe that the status quo needs to be defended. We say there is nothing sacred about the existing housing program. The only thing wrong with it is it could be made better. The task force has said, the minister has said, and government members agree that the present public housing program is not good enough. This does not mean a total withdrawal of the government from public housing projects, a partial withdrawal or any withdrawal. In fact, it means an expansion of the existent program with changes in style, design and layout—changes which would make shelter for low income families more compatible with family living.

Does a de-emphasis on public housing as we know it now mean a callous retrenchment as has been suggested? It means, among other things, that there will be more emphasis on limited dividend and co-operative housing and more help for these plans. Does the task force's concern about the social implications of the present style of public housing mean that this government is turning its back on the problems of the elderly, the students or Canadians of Indian and Métis origin? On the contrary, the special programs will go ahead with increased emphasis, support and determination by this government.

The sum total of the task force recommendations will make it easier for the working

man and his family to buy decent shelter. This will be the result despite the contrived efforts of some members of the opposition to brand the report as a fraud before its recommendations have been weighed, tested or, I suspect, even read by most of them. This report says there are alternatives to the bleak multi-family high rise accommodation in Canada. It points out that Canadian technology, design, planning, engineering and finance can find better solutions to the shelter needs of the low income groups in our midst. It states that we need not be bound by concepts of the past.

We have been told the task force report constitutes fraud and folly. Was it fraud for the task force to say, as it did:

> Urgency. That certainly is among the strongest of the Task Force impressions. The need to act while reasonable action is still possible. Many Canadians, whose needs are of yesterdays, want adequate housing today and not tomorrow. Theirs is the voice of frustration that no longer will accept the explanation that it is "that other" government's responsibility to act. Theirs is the growing anger of people who, amid the material plenty around them, refuse to wait that "little bit longer" for their minimal share.

This is what has been branded as fraud and folly. I agree with what the task force said. Any reasonable member in this house will agree with it. Was it fraud for this allegedly cold-hearted task force to say:

> The Task Force is convinced that Canada has the resources, material, technological and intellectual, to meet these needs and problems. To believe otherwise is to despair and surrender to the inevitable.

Yet, there are members in this house who want to enshrine the status quo and who believe that public housing must be beyond criticism. Thank goodness we have some responsible groups in this country, like the urban renewal administrators of Canada, who endorsed the report in Winnipeg over the week end. That is one source that has never been quoted by the opposition.

Is it fraud and folly to suggest that the government encourage private lending institutions and growing pension funds to become more involved in making money available for housing? Is it fraud and folly to suggest that the federal government consider the establishment of savings and mortgage institutions to serve the residential mortgage market on a regional basis? Is it fraud and folly to propose a central mortgage bank to provide additional liquidity for existing lending institutions? Is it fraud and folly to free the interest rate? Is it irresponsible to propose alternate forms of insured loans under the National Housing Act to provide greater flexibility for lenders and borrowers?

Is it wrong to suggest that the maximum loan ceiling under the National Housing Act should be substantially increased? Is this fraud, when at the outset some 20,000 new Canadian families would qualify for loans because of this measure? In addition, there is the lengthening of the amortization period of the loans. Let these housing critics tell us of the fraud involved in the task force recommendation that down payments should be progressively reduced so that middle and lower income groups can obtain modest housing under a lease-purchase system without initial equity participation. We have been told that this is a hoax and an attempt to mislead the low income families. What about the proposal that purchasers of existing homes should be entitled to comparable mortgage conditions under the National Housing Act to those which apply to new homes. Is this a fraud? Is it fraudulent to suggest that insurance fees, legal charges, real estate commissions and other administrative costs be reduced and that the school tax should be removed from the family home?

Where is the fraud and the folly when the task force concerns itself with the low income groups once again by suggesting that greater encouragement be given to the use of limited dividend, non-profit and co-operative projects as a means of providing adequate accommodation for lower income groups? Does this report deserve to be condemned out of hand when it proposes that the federal government should make direct loans to municipalities or regional governments to assist them in assembling and servicing land for urban growth?

I should like to conclude, Mr. Chairman, by saying that the task force report is a document well worth study and consideration. Those who assembled it are good, conscientious Canadians who deserve something better than to be accused of fraud by certain members in this house. Opposition has a duty to oppose that which is wrong or contrary to the public interest. I suggest, Mr. Chairman, it has another duty, a duty to be fair and a duty to be responsible. Some of the criticism heard during the past weeks, months and days is not fair. It is an attempt not to be fair. Surely, we are sent to this place to make a more constructive contribution to public life.

• (8:40 p.m.)

The Deputy Chairman: Order, please. I understand the hon. member for Yorkton-Melville wants to ask a question of the hon. member for Burnaby-Seymour. The hon. member's time has expired and this would be out of order unless there is unanimous consent of the committee. Is it agreed?

Some hon. Members: Agreed.

Mr. Nystrom: I was wondering whether the hon. member for Burnaby-Seymour, in order to update activities in respect of housing, is in favour of the establishment of a department of housing and urban affairs?

Mr. Perrault: Mr. Chairman, this recommendation is already contained in the task force report and I support it.

Mr. Carter: Mr. Chairman, in following the remarks of the hon. member for Burnaby-Seymour, and at the risk of being accused of stirring up differences of opinion and dissension across the country, I should like to put a few things of interest on record during this debate on the task force on housing and certain recommendations contained in their report.

The hon. member, in his usual way, asked members of the house to refer to page 55 of the report. He suggested that perhaps these pages in the reports of hon. members in the opposition had stuck together since we had not read them. I would ask that hon. member to refer to page 48. I suggest that the Minister of Transport responsible for housing and the members of the cabinet probably had the pages of their copies at this point stuck or glued together. At page 48, the task force recommended that the 11 per cent sales tax on building materials be abolished. I suggest that this recommendation has been a source of embarrassment to the minister and the government.

The Minister of Finance has already stated that despite the recommendation of the task force and the Minister of Transport responsible for housing, the government will not remove this sales tax. I am sure we all appreciate the fact that the Minister of Transport had the foresight and the courage to suggest to his colleagues in cabinet that the 11 per cent sales tax be removed. We regret that his colleagues have not had the same charitable feeling toward the people of Canada, and have not agreed with the minister in respect of the removal of this sales tax. In my opinion, the minister has been repudiated by his colleagues and his recommendations have been pushed aside.

This is a very worthwhile recommendation, and I am sure when this report was tabled some time ago all Canadians, especially those in the middle and low income groups, were delighted to know that this 11 per cent sales tax would probably be abolished. The joy was short lived. I am sorry to note that this has not been done. Members on this side of the house are very disappointed that the government has refused to accept this recommendation. Obviously, this government intends to maintain this sales tax.

This sales tax is a very important factor to married couples or people in the low or middle income range, particularly when it comes to building or buying homes. The 11 per cent sales tax adds about $500 or $600 to the cost of a home. This can make the difference between a person being able to afford to build a house and a person being unable to do so. I suggest that the government should reconsider the removal of this 11 per cent sales tax.

Another recommendation made in this report deals with the mortgage insurance fund. Most members know that this fund was set up in respect of the Central Mortgage and Housing Corporation. Originally, it was established so that people who obtained mortgages through the National Housing Act would be assessed 2 per cent of the amount of the mortgage, which amount was in turn set aside in a special fund. The task force report suggests that this amount be reduced by half. The recommendation is that it should be 1 per cent instead of 2 per cent.

Since the establishment of this fund in 1954, $224 million have been accumulated. One wonders why this fund is necessary. Since the inception of the National Housing Act 800,000 loans have been made. I understand there have been 6,700 claims against this insurance fund. Most of these claims have resulted from the situation which developed in the Elliott Lake area. I understand also that most of the houses which were repossessed there, or had foreclosure action taken against them, have since been sold or are in the process of being sold.

I would certainly recommend to the minister and the government that we should try to make housing available to the middle and low income groups. If we want to help people in those income brackets, there is one tangible way in which it can be done. We can do away

with the 2 per cent charge that is now being assessed for the mortgage insurance fund.

I have mixed feelings in respect of public housing because we all know certain sociological problems are involved. We all know what has happened in some large cities. I know particularly what has happened in the city of St. John's. We have some excellent public housing complexes, but there are others which have become nothing more than ghettoes. This is one of the dangers in respect of public housing under the present concept.

One of the problems facing these people who occupy these subsidized rental units is related to the fact that rent is assessed on the basis of their gross income. This is very unfair in my opinion. I can cite hundreds of cases which occurred in 1968, particularly during the wintertime, when many individuals earned a certain amount of money as a result of working overtime. I understand their rent will be based on the amount of money they earned in 1968. This is very unfair because in 1968 these people earned this amount of money because they worked a considerable amount of overtime. This additional income is being added to the income they earn in 1969 for the purposes of assessing their 1969 rents. As a result, a hardship is being imposed on these people.

These people are being charged rent based on 27 per cent of their regular incomes in 1968. But because of the additional earnings throughout overtime worked in that year, the assessed rents in the following year could well amount to 30 per cent or more of their gross income. I contend this destroys the initiative of these people and discourages them from getting out to work a few hours overtime or to develop some part time employment. They are discouraged when they realize that of every dollar they earn as a result of overtime or a part time job 27 per cent is deducted and applied to their rent.

• (8:50 p.m.)

I would ask the Minister of Transport and his colleagues to give serious thought to changing the method by which rents are assessed in respect of people who live in subsidized rental accommodation. I think the present method is unfair and does not give the people concerned any opportunity to save a down payment and eventually buy a house.

The report makes several recommendations with regard to urban renewal schemes, studies, and so on. Having served for a number of years on the city council of St. John's, I am well aware of the red tape involved in trying to get an urban renewal or land development scheme off the ground. I know that a certain procedure must be followed. It is only reasonable to assume that this should be so. But I know from experience that a great deal of unnecessary hardship has been caused by typical civil service bureaucracy, typical civil service red tape. This should be eliminated if cities are to avail themselves of the urban renewal benefits of the National Housing Act.

The hon. member for Burnaby-Seymour is very upset over some remarks made on this side of the house. He was almost crying for a few minutes. I found it almost impossible to avoid filling up, but thank goodness I recovered and could stand up and say a few words. I am the first to agree that in this report there are several worth-while recommendations. However, I do not think it is enough for a task force on housing, that has travelled the length and breadth of Canada at great public expense, to make many recommendations and not as yet have one implemented.

Mr. McCleave: Except cutting down public housing.

Mr. Carter: Interest rates have increased. The suggestion that the sales tax be removed has been thrown out. I suggest to the hon. member for Burnaby-Seymour that it is not enough for the government to commission a task force on housing to travel the country and study the problems which the average and low income people are facing with regard to housing, and then to do nothing about those problems. This report, which has been compiled at great expense to the Canadian taxpayer, is only as good as the attitude which the government in power adopts towards the recommendations made. If the government treats the other recommendations as it has the one that the sales tax be eliminated, I suggest we might as well throw the report out, because then it will be useless.

Flowery phrases and recommendations will not alleviate the problems facing the people in my riding, many of whom are living in homes that are not fit for human habitation. I repeat, Mr. Chairman, that unless the government takes this report seriously and finds some way to implement the recommendations contained therein, the minister's trip across the country will have been unecessary and a waste of public money. I suggest to the Minister and his colleagues that the co-operative housing concept should be studied. This

is a program that enables a person who is not afraid to take off his coat and roll up his shirt sleeves, to go to work for himself and build his own home with government assistance. I can cite cases in my province and city where from 1951 to 1955 hundreds of new homes were built through the co-operative housing movement. This is a scheme whereby 9, 10 or 12 people get together, study building methods and ideas, financing methods, and so on, and then apply to Central Mortgage and Housing, through the province, and receive a commitment for a mortgage. They then go to it and build their own homes in the co-operative fashion, by buying co-operatively, in bulk, and thereby effecting considerable savings. This is one idea I would like the government to study. It should see if the co-operative housing concept in home building cannot be encouraged and taken advantage of by more middle income, middle class Canadians.

Those of us who live in the less fortunate provinces of Canada are well aware of the suffering and misery faced by people living in substandard homes. We agree that much has been done in this respect. Public housing projects have been built. But in many respects I think we have only scratched the surface, and a great deal more remains to be done. I believe it is obvious that the government must take the leadership and adopt policies that will help the average Canadian obtain a decent home for himself and his family.

I was very interested in the words of Dr. Albert Rose, professor at the University of Toronto, who said that the most important change that could be made in our national housing policy would be a formal declaration that the federal and provincial governments intended, during the balance of this century, to discriminate in favour of families and individuals at the bottom half of the income distribution. This is a very thought-provoking observation, because it is obvious that it is the sort of thing this government must do. The government must, in the balance of this century, discriminate in favour of the people who have been suffering for too long because they have lived in substandard housing. I hope that the Prime Minister's promise of a just society will embrace the proposition of providing reasonable and cheaper homes for people who are deserving of them.

These are the things I would like to see done in the next few weeks, Mr Chairman. I would like to see the government take the Minister of Transport off the hook, give him back his pride and allow him to again stand tall and walk straight. When he makes a recommendation to the cabinet, I hope they will accept his recommendation. With respect to this report, which was compiled at great personal sacrifice to the minister and at great expense to the Canadian taxpayer, I hope it will not be shelved, thrown aside, and its recommendations ignored. Let the government tell the people of Canada that it takes the Minister of Transport seriously, will reconsider its decision, and in fact abolish the 11 per cent sales tax on building materials. Let the government show the people of Canada that it means business. It can do this by abolishing the 2 per cent insurance fee in respect of mortgages.

• (9:00 p.m.)

These are some of the things which could be done, and I hope for the sake of the less fortunate Canadians that steps are taken to make money available to people in lower-middle income groups to help them get housing. Under the National Housing Act at the present time, Mr. Chairman, a person who wishes to get an $18,000 mortgage must be earning in excess of $8,000 a year. When one considers that in many cities in Canada—I could name one—less than 5 per cent, perhaps, and certainly less than 10 per cent are in this category, we begin to realize what this means. What hope is there for the other 90 per cent? More than 90 per cent of our people cannot qualify for a National Housing mortgage. The recommendations contained in the report that the maximum should be increased and the amortization period extended are excellent suggestions and I hope the minister and the government will implement them.

Mr. Rose: Before I begin the main part of my speech this evening, I should like to congratulate the hon. member for Burnaby-Seymour on his fine defence of New Democratic party housing policy. I hope it will be my privilege to do as good a job, though I promise I shall not be half as loud.

We heard a fine speech in defence of the various proposals in the report of the task force but we are living in a fool's paradise because as yet we have not seen any legislation arising from the report. When such legislation has been brought forward we may be more confident that what is contained in the report will become a reality for most Canadians.

The hon. member for Burnaby-Seymour told us the report had been defended by at least one authority. I have quotations here from several authorities who have been

extremely critical of the report. I shall not read lengthy passages from these articles, only excerpts to indicate that there has been considerable discussion about the merits of the report and that much of the comment has not been favourable.

I should like to quote from the Toronto *Globe and Mail* on Tuesday, February 5:

> The important thing here is that Mr. Hellyer's position on public housing is far more important than an attitude. Although the task force recommendations have not been given parliamentary approval a freeze is apparently already in effect in the public housing field.

Michael Wheeler, the executive secretary of the Canadian Welfare Council's conference on housing has this to say as reported in the Toronto *Globe and Mail* of January 31:

> The critical flaw in the report is that it would halt those measures which now offer some hope to low-income groups without offering anything definite in their place except pious suggestions for further research and study.

A number of other authorities have expressed similar critical opinions. Leon Kumove, head of Toronto's social and community planning services and an expert in this field had this to say:

> It made far too many generalizations about the nature of public housing. Some of it is bad, but some of it is also good. You must change public housing, you cannot eliminate it.

Humphrey Carver, former chairman of Central Mortgage and Housing Corporation's advisory group stated:

> These are two of the most difficult subjects. The task force was baffled by the problems it encountered, said it didn't like the whole idea of public housing and recommended it be virtually stopped. This is an elementary attitude to take and it has done a great deal of damage to the whole cause of getting housing for low-income families. Because of that report, a lot of people will go without proper housing.

Albert Rose, my namesake, but unfortunately no relation, has similar things to say about the findings of the task force, especially as they relate to public housing.

The provision of decent housing at a price people can afford to pay has been a subject of pressing concern for a great many years. Governments have stood around twiddling their thumbs, content to observe the rush to the cities and the postwar population increase, muttering pious hopes that a laissez-faire posture would solve the problem, or that it would somehow evaporate into thin air. But it has not evaporated, Mr. Chairman. It will get worse. To paraphrase what Will Rogers said about the weather, everybody talks about housing but nobody does anything about it. There is no real mystery about the causes of the housing crisis. Speaker after speaker has reiterated the major causes of this problem and, no doubt, other speakers will continue to do so.

[Mr. Rose.]

Here are some of them. First, high interest rates—9⅜ per cent when I last looked, and they are probably going up steadily. Then, there is the difficulty experienced by the many in the low income groups in raising the necessary down payment. Another problem is the scarcity and high cost of decent serviced lots. High taxes and the high cost of building materials are other contributing factors. I heard the other day that the cost of lumber had gone up by another $40 a thousand—I hasten to add I am not blaming the minister for this. A further cause of the housing problem is the inflexibility shown by municipal councils in refusing to permit a variety of accommodation within their borders. Too much emphasis is placed on single family dwellings and not enough on alternative proposals which I think would be a great deal more helpful and lead to greater efficiency in the use of land.

All these things are well known; I am sure other hon. members could add to this list. In my opinion, the great cause of this problem is the reluctance of the federal government, whether Liberal or Conservative, to become deeply involved in the housing issue at all. I believe there is an inbred prejudice against public participation in housing and I say this because as far as I know there have never been sufficient funds directed to housing to meet the need. It is implicity believed by successive governments that housing should be the private preserve of the private entrepreneur. The government's attitude to housing reminds me of the prevailing wisdom one hundred years ago, as expressed by the government's attitude toward public education. The feeling was that public education was unnecessary; that it would encourage people to be lazy and all sorts of unpleasant consequences would result. The same arguments have been used to sabotage the medicare proposals which are before us now. I believe we have learned by now that it is essential to put money into education and I think we shall learn that it is just as essential to put enough money into housing to meet the needs of Canadians.

Money for housing is allocated grudgingly to those in the middle-income brackets and above, because these people are a potent political force. But for those whose incomes

are below these levels, little or nothing is provided. Mr. Chairman, we shall be forced into a change of attitude in this regard. People who are earning less than $8,000 a year will not tolerate for ever living in grim, jerry-built suites in cities or driving back and forth a hundred miles a day to work. I have people in my constituency who drive this distance to work and who are forced to live in unsatisfactory accommodation in trailer camps without adequate facilities, simply because we have not done enough soon enough.

The housing problem is really an income problem. There is no evidence that people with unlimited incomes have any problem at all with regard to housing. They do not suffer from the housing shortage and by and large neither do those who already own a house. But young families today, growing families, desperately need more accommodation. As the task force report says, all Canadians should be entitled to clean, warm shelter as a matter of basic human right. I hope that this is not just another empty gesture but is a principle that the government will follow when it brings down its legislation. If it does not do so, I am certain there will be many disillusioned people in Canada in addition to the ones we have at the moment.

• (9:10 p.m.)

In the province from which I come, British Columbia, the people who need public housing or financial assistance the most are not receiving it in their fair proportion under the N.H.A. legislation. If I might just put some statistics on the record, of the lower one third of the population income group in 1967 only 5.7 per cent received any C.M.H.C. funds at all. Here again is the application of socialism for the affluent.

The problem is also very serious in the community in which I live, Coquitlam. The local social welfare administration reports to me that 85 per cent of people on social welfare receive rent subsidies in addition to welfare payments because accommodation is not available to them without such assistance. If they are spending extra money on rent, obviously they are unable to spend it on things they need like dental care, clothing, food, insurance and other items.

At the moment, housing is taking up far too large a proportion of most people's income. In the same community, in 1967, 1,200 new homes were constructed. Thus 1,200 new families moved into the community. In the same area the average purchase price of these 1,200 new homes was $25,000. Since the average income in British Columbia is $5,600 per year per family, I should like to ask what kind of families moved into these new homes. Again, this supports what I said earlier: National Housing Act money is available to people whose incomes are high enough to qualify for loans, but not available to those people who are desperately in need of housing.

I am an ex-municipal alderman and can see the desirability of attracting quality construction to the community. The assessments are higher for tax purposes and treasuries that are short of money benefit. In addition, such developments are visually attractive to the community. There are fewer schools required because there is not the high density that exists in other areas. There is also probably much less drain on the various social services; usually these income groups have fewer problems. There are fewer broken homes, and so on.

Some very fine people have moved into Coquitlam and they were attracted to this area for the same reason I was. I had to make a decision. I had to decide whether I wanted to spend my money close to my job and pay high taxes on real estate, or whether I should move out to Coquitlam and spend my money on gasoline and tires and drive to work in Vancouver. I decided on the latter course.

However, you cannot build a wall around a municipality and keep people out. It does not matter whether you build a zoning wall, a financial wall, or whether there is a gentleman's agreement to keep certain people out of certain subdivisions. Every urban area must make certain that it provides for a reasonable blend of single family dwellings and other types of accommodation. This is where we fall down. There are examples of all kinds of fine suburban dwellings, but there is only one price bracket. There is no new housing that is attractive and within the range of smaller families with lower incomes.

I do not think we can depend forever upon the concept of the filtering process. This is the process whereby those people who buy a new home move out of another home which becomes available for people in the lower income groups. I do not think that these houses will be available in sufficient quantities, and in addition this is not the way we should attack the problem. Although this process does take place, it is illogical to put it forward as a long-term proposition.

As I have said, one cannot blame the municipalities for wanting to attract high

priced homes; but most municipalities, if not all, in my area suffer from an acute shortage of an adequate supply of serviced land. To illustrate the point, I should like to refer to part of a letter that I received from the municipal manager of Coquitlam who wrote to me in desperation because of the inability of the municipal council, and also as a matter of fact the regional district, to borrow money so as to increase the supply of serviced land, to instal such things as sewers, water, roads and so on. Part of his letter reads as follows:

> The problem which faces Coquitlam of course does not differ from that faced by all municipalities in British Columbia or for that matter across Canada. Marketing of municipal bonds and debentures has become virtually impossible.

How are communities going to provide more serviced land when they face a financial situation of this sort? I could go on and tell the committee how the regional districts are also faced with similar problems when it comes to selling bonds. Regional districts do not enjoy, in the matter of bond sales, the same status in the eyes of the Superintendent of Insurance in Ottawa as do municipalities, so the bond market is shot. The minister knows it is shot, the members of the house know it is shot and I know it is shot. So, at least this is a temporary barrier to increasing the supply of serviced land, and a great deal of space in the task force report was devoted to this question.

I sometimes wonder how the minister is going to encourage the various mortgage and trust companies to become more socially conscious and put more money in the housing pot. There seems to be no shortage of money for high rises, for shopping centres or for office buildings. It all depends where one can make the fastest buck, it seems to me, and at the moment our loyal financial institutions have concluded that it is not in housing.

Another problem facing housing is the inefficient use of land. Again, we cannot fault the minister or the task force report for this. Here I agree with the task force report, at least in part. Far too many municipal planners, builders and buyers think that there is something holy about the 66 x 125 foot lot. This is something that we have inherited from the horse and buggy days. We have inherited it from the time when we had to have a 125 foot lot to keep the outhouse far enough away from the main part of the kitchen; to keep the flies away; to provide a back garden in which to grow vegetables; and perhaps also to site the garage and have the garbage picked up. We also wanted a certain amount of privacy.

As an ex-alderman, I have found it difficult to change this concept. We do not live this way any longer. I much prefer, instead of a huge back garden to maintain, a little more privacy between myself and my neighbours. I think encouragement must be given to other forms of construction, to other designs of houses, and to other shapes of lots, because in this way I think we can achieve a much more efficient use of land.

Perhaps we could also encourage condominiums or row housing, as well as other forms of housing referred to in the report. This section of the report was good. As Minister of Transport, I am certain the minister will agree with me that urban sprawl complicates transportation problems. There are commuter problems all over the place as a result of unrealistic land use. We have exploited land; we have wasted it; we have polluted it. Roads use up far too much space. It seems to me that an ever-increasing sprawl is self-defeating and self-perpetuating; it is also never ending. As far as I am concerned we should look for far more planning in this area as well as in the provision of finance.

There are many other matters I could raise about housing and related topics, but in view of the short time available I cannot deal with them in detail.

(9:20 p.m.)

My final and most important point is this. I wish to protest most vehemently against the inbuilt bias that exists against housing. The idea that there is some sort of bias against public housing permeates much of the report of the task force. I do not think that those who claim there is some sort of bias against public housing do so on ideological grounds. In approaching this problem the minister has been influenced by his background, no less than I would have been if I had been given the task of solving this problem. The minister, members of the task force and officials of C.M.H.C. are not against the concept of multiple housing, since 50 per cent of N.H.A. funds are now directed towards the construction of apartment complexes. But I think that these officials are prejudiced against the concept of public multiple housing and urban renewals. In the latter area especially, we have seen much foot dragging lately, and we can expect much more if events of the last few weeks are an indication of things to come.

Naturally, most Canadians with families prefer to live in single family dwellings. But, under present economic conditions they cannot do so. If the government plans to house the unfortunate part of our population, let it bring in legislation permitting it to do so. Members of our party probably will support that legislation. If the government has no such plans I see no alternative to public housing for the increasing number of Canadians who will need it.

I should like to see a housing authority and department of urban affairs set up. Nobody likes the stigma attached to public housing projects. Surely, it will be wise for the government to decentralize its housing program, to plan, to buy older homes and to rent apartments in private apartments blocks. If it does these things, it will have the support of our party. But, if the minister does nothing he will be made very uncomfortable by our snapping, carnivorous fangs puncturing him in the region of his posterior.

Mr. Whicher: Mr. Chairman, I had not intended speaking in this debate, since I represent a riding in rural Ontario which is fortunate in having no housing shortage. Having listened to some speeches, I thought it appropriate that I should make known my thoughts and give the committee some of my views on the subject. While it is true that the Minister of Transport headed the housing task force, we ought to remember that its report is not his report alone. Of course, it is a government report; nevertheless, some reputable citizens helped in its drafting. They are fine businessmen, successful in their professions, and not all of them are of the Liberal persuasion. These businessmen, along with the minister, went across Canada, studied the problem and drew up a report which, although it may not meet with the approval of all, nevertheless is a report of experts in this field. Therefore, when opposition members apply the terms, "hoax," and "fraud" to the minister and the report they are also applying those unparliamentary terms to some reputable Canadian citizens. It is a pity to have members of the most exclusive club in Canada indulging in the unparliamentary practice of calling the Minister of Transport names.

Hon. members who may have read the biographies of members of the task force will see just how good a job the members of that force have been doing in Canada. I repeat, it was unparliamentary of hon. members to apply the terms "hoax" and "fraud" to the minister and to these people.

As a supporter of the government I will be the first to admit that everything is not 100 per cent with housing in Canada, and that many improvements could be introduced. The report suggested many improvements that could be effected. In my opinion, that report shows evidence of considerable thought and work and should be examined carefully so that our housing situation in future will be better than it is at the present or has been in the past.

If we accept the fact that not everything is 100 per cent with our housing, how does that give the opposition the right to say that housing in Canada is in terrible shape? Let me ask, where in the world is it in better shape?

Some hon. Members: Hear, hear.

Mr. Whicher: Is it not true that Canadians have the best housing in the world? Is it not also true that if the government is to be blamed for any of our shortcomings in housing it should be given credit for its positive achievements in the field of housing? On average, Canadians are better housed than are our neighbours to the south. I know many hon. members have been to the United States. Let them examine the slums of New York City and they will see how bad slums really can be.

An hon. Member: Does that excuse our slums?

Mr. Whicher: I will talk about our slums in a minute. If hon. members go south of our border they will see millions of people who breathe no fresh air, whose only glimpse of a piece of ground is the ground in a park. Or, if they do not visit New York let them visit Los Angeles, a considerable portion of which the negro population burned down two or three years ago, largely because much of their housing was in deplorable state.

We, on this side of the house, admit that many of our housing difficulties need to be remedied; yet our citizens have not begun burning down our cities. Let hon. members of the opposition go to Cincinnati or New York if they want to see deplorable housing conditions. Some members are to go to Europe. If they find time to drag themselves away from the night clubs of Piccadilly let them walk down to where the people live and they will see that the houses in London are not in the best of shape. Or, perhaps they will prefer Paris, a city I have visited many times. They

will see housing conditions there are deplorable. If they do not like Paris they can visit the great city of Vienna, and find the same thing. The fact remains that this terrible, this monstrous government that the opposition has been crucifying for the last couple of days has provided its citizens not only with the best housing in North America but in the world.

Some hon. Members: Hear, hear.

• (9:30 p.m.)

Mr. Whicher: One criticism that may be levied against our housing program is that the 11 per cent sales tax should not be imposed on building materials. It would be wonderful if the government could say that from now on there would be no 11 per cent sales tax. As a matter of fact, the Minister of Transport agreed with that suggestion. The unfortunate thing is the government is spending approximately $12 billion on social and other types of services. Until the government finds some other source of revenue, this $300 million is required for old age pensions, family allowances, pensions for the blind and disabled, to provide new docks in Newfoundland, new ports, etc. I agree it would be good if the 11 per cent sales on building materials could be removed. I wonder if hon. members realize what is happening in this city so far as building materials are concerned? It is not all one sided. All the devils do not belong to the Liberal Party.

If a man purchased building materials valued at $1,000 in Ottawa tomorrow morning, he would have to pay 11 per cent federal sales tax amounting to $110. Unfortunately, that is not the only tax which must be paid. There is another government which had its headquarters in Toronto. This afternoon I listened to the treasurer of the province of Ontario present his budget. He did not say anything about sales tax on housing, and for a very legitimate reason. There is a provincial sales tax of 5 per cent which is payable not only on the actual cost of the building material but on the federal sales tax as well.

Some hon. Members: Shame, shame.

Mr. Whicher: That is the way the Tories act in the provincial legislature.

As I said, Mr. Chairman, the federal government must give back the provinces approximately 25 per cent of moneys collected. The problem of high interest rates has also been criticized. The minister suggested we should have a floating interest rate. I say to the minister this would do no good at the present time because high interest rates are a world problem. There was an announcement in the newspapers last Friday or Saturday that the bank rate in England had been raised again. Interest rates are being raised all over the world, and this is a most unfortunate situation. The reason interest rates are rising is not because of a scarcity of housing in Canada, a scarcity of food in China or Biafra, but because there is a scarcity of money in the world. One reason for this is that the United States is spending $30 billion a year on the war in Viet Nam.

As I said on another occasion, they might just as well take that $30 billion and throw it into Lake Superior as it is not helping the financial stability of the United States or the world. This is the reason there is a shortage of money not only in Canada but everywhere in the world. I am sure all hon. members sincerely hope this war will soon end. A year or so after that happens, I feel sure interest rates will start on a downward trend.

There are several items in the report with which I agree. I do not understand how anyone in the opposition can disagree with the suggestion that there should be land banks. It is impossible for me to comprehend any criticism of the government in this regard. The minister would be the first to acknowledge that land banks should have been set up long ago. We cannot turn back the clock, so we must borrow tomorrow in order to have cheaper land a year from now. People are constantly moving from rural to urban areas and much more housing will be needed in our cities.

Four or five years ago I had the privilege of recommending to the legislature in Toronto that mortgages on old buildings should be included in the National Housing Act. I certainly agree with the suggestion made by the minister and the task force in this connection. A building which is only three or four years of age is classified as old. There should be government loans available which would allow this building to be sold as easily as a new one.

I listened to part of the budget presented by the treasurer of the Province of Ontario who I know very well. All things being equal, it was a reasonably good budget. Unfortunately, the minister stated that in two years there would be a provincial income tax and provincial capital gains tax. If the Minister of Finance were in the house I would suggest to him that he better get into that field soon or the province will beat him to it. Whether or

not we agree with provincial income tax or capital gains tax, the fact is the treasurer of Ontario stated this would be a reality within the next two years. He was planning for the future.

I suggest to the Minister of Transport that when he is talking to his colleague, the Minister of Finance, he should suggest that the possibility of interest on loans for housing being a deduction from income tax should be investigated. When our friends to the south allow interest payments on mortgages to be deductible for income tax purposes there is no reason why we should not allow that in Canada. I hope the Minister of Transport, in his private conversations with the Minister of Finance, will urge that this be done. A new plan of financing must come.

• (9:40 p.m.)

Every government in Canada is floating around not knowing where to go in the financial field. We need new plans, and I am happy to be the first in this chamber tonight to give credit to the Ontario Provincial Treasurer who, in his budget speech today, suggested what will happen two years hence. Again, I urge that interest on housing loans be deductible for income tax purposes, and that municipal taxation on housing also be deductible to for income tax purposes. These are things we can control.

I respectfully point out to the Minister of Transport that we cannot control interest rates unless we wish to subsidize them. Surely, in a free enterprise economy, the type of economy in which I am proud to serve, we are not going to subsidize interest rates on housing loans. The one thing we can subsidize, or at least provide some relief against, is income tax by making the interest on housing loans tax deductible.

I am now going to say something that perhaps will not be popular in this chamber. For all I know it will not be popular with the Minister of Transport who has made a detailed study of this matter, and who is much more competent on this subject than I am. But I am going to suggest through you, Mr. Chairman, that as Canadians we must realize that while everybody deserves clean, warm shelter, as the report suggests, that does not mean that everybody should have the opportunity or indeed the right to own a house. There are some people, not only in Canada but throughout the world, who will never be able to afford houses.

As a matter of fact, Mr. Chairman, it is far cheaper for you and I to rent than to buy a house. Let us take the case of an average house in the city of Toronto costing $30,000. Let us take the cost of money today, whether you are borrowing it or lending it. For illustrative purposes let us say you are lending it, and it is worth 8 per cent. Eight per cent on $30,000 is $2,400 any way you add it up, and when you put taxes on top of that, repairs, depreciation of the house and all the other costs that go with ownership, you can see that it is cheaper to rent a house than to buy it. Some people just are not in the fortunate position of being able to put up the necessary amount of capital. We should realize that a certain percentage of the people will never be able to afford a house.

I have heard the moaning and groaning of the Opposition that people do not have enough money for the down payment on a house. If they have not enough money for a down payment, then they should not buy a house.

The Deputy Chairman: I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

Mr. Whicher: I am sorry I have taken so much time, Mr. Chairman, because no doubt my hon. friend from Pembina, who is to speak next, has a much better speech to give on this subject than I. However, I wish to conclude by saying that this is not a heaven and everybody cannot have the opportunity to own a house. When a person has not got the down payment—I have been just as poor as anybody in this house and I know the situation—the best advice you can give that person is, go and rent a place somewhere. Then, if he has not got the money to rent it is up to the government, it is up to you and I as citizens of this country, to put our hands in our pockets and pull out money in the form of taxes to provide public housing.

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

Mr. Whicher: Certainly.

The Deputy Chairman: The hon. member's time has expired. Does the committee give unanimous consent for a question?

Some hon. Members: Agreed.

Mr. McCutcheon: I was very interested in the hon. member's remarks about mortgages

on older homes. Has he any specific comments in connection with that?

Mr. Whicher: Mr. Chairman, what I suggested was just what the report suggested, that this is something that should be done. The Central Mortgage and Housing Corporation should provide money so that older homes can be transferred with a substantial mortgage, on the same basis as a new house can be sold.

Mr. McCutcheon: Is the hon. member not aware that legislation was passed by the house a couple of years ago to permit this, and that mortgages are granted now on older homes?

Mr. Whicher: Yes, Mr. Chairman, but the amount one can borrow under these mortgages is not really as high as it should be.

Mr. Bigg: Mr. Chairman, we have been treated to some schoolmarming tonight. It appears some hon. members are a great deal better at criticizing what other people say than they are at presenting positive thoughts of their own. I hope I do not fall into that trap. I think the task force on housing was long overdue. I am not going to criticize their efforts, nor the report itself, except to say it was too late, perhaps 20 years too late, and the task force members were forced into an almost panic situation.

I agree with the idea that there should be a land bank. This is something that should have been undertaken a long time ago. It may be too late to do it effectively now because the price of land around cities has sky-rocketed almost out of reach.

We do not live in Utopia, and I do not suppose we ever will, but that does not say that Canada cannot and should not be much better than it is. It gives me no pleasure whatever to look to tired, battle scarred Europe and say we are better with regard to housing than it, or to say we are better off in housing than South America. The truth is that we do not have housing that is either adequate or a credit to a vibrant young nation such as ours, with all our resources, energy, leadership, ambition and everything else at our disposal.

Housing in Canada, whether it is publicly owned or privately owned, is a disgrace. In so far as our native peoples are concerned, nine out of ten of them live in hovels. In the district that I represented before the last election there were 28 Indian reservations. If you think things could not be better in Canada all I suggest is that you go and visit any of those reservations. If you can find any more than 10 per cent of those senior citizens of Canada living in decent habitation, I will apologize to this committee. This is not because I did not try to correct the situation, and I did not leave because I was chased out. I am still welcome on all of those 28 Indian reservations because I sincerely feel for those people, and I strongly urge that we do something to help them.

[Mr. McCutcheon.]

• (9:50 p.m.)

I suggest that the task force, whether or not they did it in the form of a specific recommendation, at least might have suggested to the government that it should leave some money in the hands of the people of Canada so they would be in a position to build their own houses. I have a mortgage on my house. My house is one of the greatest pleasures of my life, even though it will cost me a great deal of money. I will try to keep making the payments until I own every lock, stock and barrel of it. I should like to see every family in Canada own a home at least like mine. It would cost a lot of money, but it should be possible. The governments at all three levels, federal, provincial and municipal, must co-operate. I suggest they could do this by consulting each other in an effort to find out how they might eliminate some of the double and triple taxation. By all means, an effort should be made to eliminate the triple taxation. Why should there be taxes on taxes on taxes? We are paying taxes on our mortgage payments, we are paying taxes on our provincial taxes and we are paying taxes on our municipal taxes.

Taxation can be an almost unbearable burden. As a conservative estimate, if you will forgive that word, I believe these three levels of government are taking now in the form of taxes at least 50 per cent of the average person's pay cheque. Once the figure is over the 50 per cent level it is crucial. The other day I read an article which indicated that consumer trade alone in 1968 went up an extra $1 billion, so this means $1 billion less is available. In many cases we are exposed to exorbitant interest rates which results in diminishing returns in business for Canadians. Governments apparently at all levels—and this is nonpartisan because we have Conservative governments in some provinces and Liberal governments in others—are all doing the same thing; they are trying to get a bigger and better share of the taxpayer's dollar in order to do bigger and better works.

I believe we are reaching a very dangerous level if we have not already gone over the hump. It begins to look like 1928 and 1929. I can tell by the grey hairs that there are a good many members in this house who went through that period. We probably would not survive a second bout of that disease. Let us try to put on the brakes now in respect of government spending at all levels and leave a little money in the hands of the people so they will be able to purchase their own homes. I still think a home is the finest anchor in a free society because one can be proud of it, work for it and be willing to defend it. Then, there is the matter of the exploited land value. Even before thinking of the expense of building a home, many people find they are unable to pay the price for a miserable 50-foot stretch of land. So, we have strike after strike and increase after increase in unemployment.

I should like to see a task force which would give a little more thought to equality of opportunity. Let us not close our eyes to the rising level of unemployment. We blame it on automation. Automation is here to stay and we must make sure it is worked into our society in such a way that the work force will be spread around. This might mean a reduction in hours of labour. The money must be evenly distributed to people and we must make sure that all do their share. Equality of opportunity means the right to share in effort, as well as in the distribution of wealth once the effort is made by other people.

I know, as I am sure the minister knows, that it is not just a simple matter of distributing publicly owned or publicly rented housing all around. The question of housing is infinitely tied up with the matter of transportation. It might well be that we should look into the question of whether or not automobiles should be allowed in the hearts of our major cities. Perhaps we should also look into the matter of rapid transportation systems. It might be considered advisable to keep the gasoline powered motor vehicles out of the hearts of the cities.

As I said, I am inclined to think that the task force did a good job in the limited time they had, but I wonder whether they have gone far enough. I certainly think more consultations could have been held. I am not laying the blame on anyone, but I believe there still are groups of people who might have been consulted. I do not believe we will get anywhere unless we have much greater co-operation between the municipal, provincial and federal levels of government.

May I call it ten o'clock, Mr. Chairman?

The Deputy Chairman: It being ten o'clock it is my duty to report progress and request leave to sit again at the next sitting of the house.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

OLD AGE SECURITY—PAYMENT OF INCOME TAX ON GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, February 21, as recorded at page 5797 of *Hansard* I put this question to the Minister of Finance (Mr. Benson):

> In view of the fact that the President of the Privy Council yesterday left a few days in the spring schedule for a budget presentation, will the Minister of Finance take advantage of that opportunity, whether or not he does anything else, to correct the situation under which old age pensioners, when they get the guaranteed income supplement, have to pay income tax?

I was very pleased to receive this answer from the Minister of Finance:

> Mr. Speaker, I will be glad to consider the very serious representations of my hon. friend.

I earnestly hope that the consideration the Minister of Finance was prepared to give to my representations will result in his taking action this spring to correct this serious and very unfortunate anomaly in our income tax situation. I am sure it was never intended that people who have only the old age pension to live on should have to pay income tax on any portion of that pension. I am equally sure it was never intended, when the government came through with the idea of a minimum level of income that old age pensioners should have, that having given that minimum with one hand part of it would be taken away with the other; but for pensioners between 65 and 70 that is the result under the legislation as it now stands.

Proceedings on Adjournment Motion

• (10:00 p.m.)

I should like to use a few figures, and I shall use those which apply to 1968 because pensioners who are now faced with this situation have to pay income tax in April, 1969, on the basis of what they received in 1968.

If a single pensioner in 1968 received the full amount of the pension plus the full amount of the guaranteed income supplement his total income for the year was $1,285.20. If he was between the ages of 65 and 70 this means that his total exemption allowed would be $1,100; $1,000 plus the standard $100 for charitable donations. That would mean that he had to pay income tax on $185.20, which would mean that on last year's income he would have to pay $23.70 income tax. In other words, he would pay a tax of almost $2 a month which would wipe out the $2 a month he received because of the cost of living increase.

A married couple between 65 and 70 years of age, at least if the taxpayer was in that age bracket, who desired to report their income as a married couple, if both of them were getting the guaranteed income supplement, would receive $2,570.40 in 1968, but because the wife was in receipt of an income in excess of $250 the husband's total exemption would be only $1,100.00 and he would have to pay taxes on $1,470.40. His tax would be over $215. That couple could report their incomes as two single persons and cut off a certain amount, but they would still have to pay $23.70 each.

I am sure that even though the former Minister of Finance defended this when I complained about it some time ago, this was not the intent. Let me cite also the kind of case that is coming to my attention these days in relation to persons on pensions from private sources of say $1,200 a year. Such a person receives in old age pension $900 a year which brings him up to $2,100. That individual's income tax exemption is $1,000 plus $100 charitable donation, plus $1,000 for his wife, so he paid no income tax. If his wife happened to be a year or two younger, when she moved into the pension age bracket, she would receive $900, or $918 as it was last year.

This would bring the total income for such a couple to a little over $3,000. Because the wife had an income of $918 last year the exemption her husband would be allowed for her would only be $332, so his total exemption is $1,000 plus $100 for charitable donations, plus $332. He would have only $1,432 exemption which would mean he would have to pay income tax on the rest, and this would amount to $238.

The fact that this man's wife received a pension of $918 last year would mean that he has to pay a tax of $238. Surely, rates like this are unconscionable if deliberate. I suggest they were accidental. I draw the minister's attention to the fact that the present exemption rates of $1,000 for single people and $2,000 for married couples were set in 1949, 20 years ago. At the beginning of that year the old age pension was $30 per month. Later that year it was raised to $40 per month. In the years when those income tax exemptions were set those people had no problem. As time has passed and pensions have gone up from $30 to $40 to $75, to $105 and to $109 these exemptions have not been raised.

Because nothing has been done about these exemption levels, I submit that an anomalous situation now exists in respect of people from 65 to 70. I feel very strongly about this. Time will not permit me to say anything more about the situation tonight, but I hope the minister will deal with this anomaly this spring, without fail.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am sure that other members have also drawn this matter to the attention of the minister. If I am not mistaken the hon. member for Notre Dame-de-Grâce (Mr. Allmand) on an occasion prior to this question being asked put a notice of motion on the order paper as a means of raising this matter before the public. Under the system which is presently in use, and which has been in use for some time, changes in tax laws generally speaking are disclosed to the house only in the course of a budget presentation. Before this is done, no indication can be given of any changes that can be contemplated.

I am sure the hon. member knows this, since he has been here for many years, and I presume that he knew it at the time he asked his very interesting and useful question. Therefore, the only thing further I can say on this important topic is reiterate what the Minister of Finance (Mr. Benson) himself said when he answered the question as originally put. At that time he stated he would be glad to consider the very serious representations of the hon. member.

DRUGS—MACE—TESTS TO REVEAL POSSIBLE DANGERS

Mr. Max Saltsman (Waterloo): Mr. Speaker, on March 3, I directed a question to the Minister of National Health and Welfare (Mr. Munro) in connection with tests carried out on the chemical Mace. I asked the minister whether he would consider making a statement regarding any experiments his department might have conducted on the use of the chemical. The minister replied that he had had an opportunity of looking into this matter. He said that as far as he was aware it was not being used by any of the law enforcement units in Canada.

While the minister's reply gave me some information, it did not really answer the basic question that I put to him. The question was whether the department was conducting experiments and, if so, whether a report had been issued or information was available on the use of this chemical. The minister's reply, that as far as he knew there were not any law enforcement units in Canada using the chemical may have been somewhat misleading. It might have left the impression that police units were not considering the use of the chemical Mace or did not have the chemical at their disposal. According to reports of suppliers of the chemical, at least 35 Canadian police forces have the chemical. If they have gone to the trouble of obtaining the chemical, one must assume they are prepared to use it.

Representations have been made on the use of the chemical, and criticism has come from many quarters. The B.C. Civil Liberties Association said that Mace is an offence against civil liberties. The B.C. Association of Social Workers said that more research is needed on its effect. The Vancouver Labour Council passed a resolution condemning the chemical Mace. Public agencies throughout the country have pointed out the dangers of the use of the chemical.

I am not in a position to really know what are the effects of the use of the chemical, but a sufficient number of questions has been raised to indicate that the Department of National Health and Welfare is under an obligation to make a statement indicating whether or not it has tested the chemical. It should let the public know to what extent the chemical is, or is not, dangerous. This was my purpose in asking for an adjournment debate tonight on this subject. I hope the parliamentary secretary, who is here to speak on behalf of the minister, can at this time indicate what tests have been conducted by his department and what were the results of those tests.

• (10:10 p.m.)

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare has conducted a thorough study of the world's scientific literature on the observed and potential effects of Mace.

The department is not actively conducting experiments on the chemical Mace but is keeping in touch with the Royal Canadian Mounted Police on this whole subject. Several confidential reports on potential effects of chemical Mace and answers to specific questions have been made to the R.C.M.P. and, by agreement, the R.C.M.P. control their release.

To the best of my knowledge, the R.C.M.P. has decided not to use the chemical Mace and I understand the province of Ontario is considering requesting police departments in that province not to use this chemical.

SPORTS—NATIONAL HOCKEY TEAM—INVITATION TO CANADIAN HOCKEY ASSOCIATION

Mr. Robert Simpson (Churchill): Mr. Speaker, yesterday I directed a question to the Minister of National Health and Welfare (Mr. Munro) asking him about a meeting which was held early this month or late in February with hockey executives on the subject of the future of the Canadian national hockey team. I asked him whether an invitation had been extended to officials of the Canadian Hockey Association and, if not, I wondered whether the minister could tell us why these officials had not been invited.

I am not here, Mr. Speaker, to criticize the minister for not inviting these representatives but I should like to make clear one or two of my reasons for feeling that these people should have been invited. The meeting was called, as I said, to discuss the future of Canada's national hockey team, and ways in which it could be improved. I can understand that the minister is liable to say that representatives of the Canadian Hockey Association were not invited because it was the feeling of the government that the Canadian Amateur Hockey Association is the governing body as far as amateur hockey in Canada is concerned.

This may be correct to some extent, and it is something we have to accept. However, if

the national hockey team had called a meeting of hockey executives and only invited representatives of the Canadian Amateur Hockey Association it would be understandable, because they have an agreement with the Canadian Amateur Hockey Association. But why were officials of the Canadian Hockey Association not invited? I am not here to criticize in any way the past performance of our national hockey team. I, for one, believe that those responsible have indeed done the best they could with the material available. Regard must be paid to the fact that those who recruit players for this club have to compete with the National Hockey League for the talent they wish to attract. In these circumstances, it is very difficult under our present system for Canada to get a club which is capable of beating teams representing certain European nations.

I, for one, am not too disturbed because we have not been able to beat clubs from Russia and Czechoslovakia. As everyone knows, we are playing their best but we are not using our best. As I have often said, if the day comes when Russia has a professional hockey organization such as operates in North America, and we play the teams which do not qualify to play in their professional hockey association, I do not think there is any doubt we could beat those clubs with the type of club we are sending across today.

I point out to the minister that another meeting is being held this Friday in Toronto, and I submit that representatives of the Canadian Hockey Association should be specifically invited to attend. Although it is recognized that the Canadian Amateur Hockey Association is the governing body in amateur hockey, and has been for many years, times have changed in Canada. We now have in existence this new Canadian Hockey Association. At the present time seven of the players on our national hockey team have played in the western Canada hockey league which is now under the jurisdiction of this Canadian Hockey Association.

It is also common knowledge, if one talks to scouts for the National Hockey League teams, that in the opinion of these scouts ten or 11 of the top junior hockey players in Canada are playing under the banner of the Canadian Hockey Association. These are not my figures; these are the figures of the scouts for the National Hockey League.

I should also like to refer to one or two other matters in order to try to impress upon the minister the desirability of having representatives from the Canadian Hockey Association attend these meetings. If people are going to sit down and hold a round table discussion on how to improve our national hockey team, then I think it is only advisable to have present the people who are operating some of the clubs that might be expected to contribute players.

For example, I can safely say there are players in the western Canada hockey league today who will be able to assist our national hockey team in its planned trips overseas. However, the representatives of these hockey players are not even being invited to sit down with a group of people whom the minister, or someone, has called together to discuss this important subject.

I understand representatives of the Canadian Amateur Hockey Association are being invited to the meeting. They were invited to the last one and they are probably being invited next Friday. I also understand there will be representatives from at least two National Hockey League clubs. I assume there will be representatives from Canada's fitness council. Why should there not be present representatives from the Canadian Hockey Association who are operating a strong league in western Canada consisting of over 160 junior players, and who also operate a league in eastern Canada that consists of some 120 junior players?

I am not saying that these clubs would be able to make available immediately players to assist our national team. However, if representatives of this association were invited to sit down at a round table conference of the type envisaged, I think they could put forward some ideas for assisting our national hockey team.

In closing, I should also like to mention that it is apparent that the Canadian Amateur Hockey Association has in some manner blacklisted the Canadian Hockey Association simply because it has not operated fully within the rules and regulations laid down by the C.A.H.A. I give the Canadian Hockey Association credit for one thing: they have decided to operate on their own for one specific reason, namely, that they contend junior hockey players should be at least 21 years of age. The C.A.H.A. requires a player to be under 20 years of age to play junior hockey. In the days when there was a good brand of senior hockey played all across Canada, perhaps this provision was quite acceptable. Now we have all these various pro leagues, the time has come when we should have junior hockey—

The Acting Speaker (Mr. Béchard): Order. The hon. member's time has expired.

• (10:20 p.m.)

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Canadian Hockey Association was not represented. The Canadian Amateur Hockey Association is the officially recognized body by the International Ice Hockey Association. Any player who plays for Canada must be on the C.A.H.A. list. Because the Canadian Hockey Association is a breakaway organization, players within their jurisdiction are not on the C.A.H.A. lists. This is a potentially difficult situation and it is the wish of all Canadians interested in our national team that arrangements can be worked out so that the best possible national team can be put forward.

The Department of National Health and Welfare has not interceded in what is basically a family quarrel. I would mention though that the Hockey Canada meetings were very representative. Members from the Canadian Amateur Hockey Association, Canada Intercollegiate Athletic Union, Professional Hockey and Professional Hockey Players Associations were represented, together with the government and the public spirited hockey fans who, I am confident, will help to make Hockey Canada a success.

Motion agreed to, and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 5, 1969

The house met at 2 p.m.

SPORTS

PHILIP ESPOSITO—ACCOMPLISHMENT OF HOCKEY PLAYER

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, last weekend a great Canadian and native of that great metropolis of the north, Sault Ste. Marie, accomplished something that has never before been accomplished. Philip Esposito of the Boston Bruins became the first man in history to accumulate 100 points in the National Hockey League in one season.

Some hon. Members: Hear, hear.

Mr. Murphy: May I say that he is capable of going on to achieve new records. Yesterday the senate of the state of Massachusetts saw fit to congratulate Phil. I am sure that you, Mr. Speaker, and all hon. members of the house will agree that a man of this stature, although not a prophet, should not go unhonoured in his country, the birthplace of the game in which he has become so proficient. I therefore hope that the Parliament of Canada will see fit to pass a motion congratulating Philip Esposito for having become the first player in history to accumulate 100 points in the National Hockey League.

I would therefore move that—

Mr. Speaker: Order, please. Already the hon. member has fractured about a hundred rules. I suggest he table the motion.

Some hon. Members: Hear, hear.

ROUTINE PROCEEDINGS

REGIONAL DEVELOPMENT

P.E.I.—ANNOUNCEMENT RESPECTING ASSISTANCE PLAN, REJECTING CAUSEWAY AND EXPANDING FERRY SERVICE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Forestry and Rural Development announced to the house last week that an agreement is to be signed on March 7 with the province of Prince Edward Island to provide for the joint implementation of a development plan for that province. I should like today to say a few words about that agreement.

The plan itself is a major undertaking and will be recognized as such, I am sure, by the house. The first phase will require some seven years to complete and will involve federal expenditures of $125 million. The second phase will extend through the balance of a 15 year period and is expected to involve federal expenditures of $100 million. The economic and social improvements which will follow from a development program of this magnitude are of the greatest significance to Prince Edward Island and deserve the very highest priority in any scale of assistance projects.

The government should have liked to be able to assist at the same time in the construction of a causeway linking the island to the mainland, because of the obvious benefits which would accrue to the province from such a structure. As hon. members recognize, however, and as I am sure the citizens of Prince Edward Island will appreciate, there is a limitation to the resources of Canada and a decision therefore had to be made fixing the priorities of expenditure. Following consultation with the government of Prince Edward Island, a decision was taken by the federal government to support the development plan as being the likeliest method of offering appreciable and lasting benefit to the economy of Prince Edward Island in the foreseeable future.

I wish to add that there is a recognition by the federal government that the existing mainland links—the ferry services—are not of an acceptable standard. I am pleased to be able to say, therefore, that these services will be extensively upgraded and developed. The vessel capacity of the ferry service will this summer be twice that of last year. Modern terminal facilities offering a range of services and conveniences to the public will be in operation as well. The new standard of service will be maintained by planned additions to the ferry fleet and to the terminal facilities as traffic demands.

We have every expectation, Mr. Speaker, that this massive form of assistance will give to those Canadians living in Prince Edward

Island a full opportunity to improve their economic and social conditions to a standard in keeping with that enjoyed by Canadians elsewhere. Programs of this sort are one example of what federalism is all about; I am sure that persons from all parts of the country are proud to be able to join in offering a helping hand to fellow Canadians who have over the years made such an important contribution to confederation.

• (2:10 p.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to make a few comments Mr. Speaker, regarding the Prime Minister's statement. I do so with the benefit of very little solid information either with respect to the project being cancelled or with regard to the project being announced. It is clear however this is not on the scale recommended by the FRED group, which submitted a development plan. There is no way of judging from the Prime Minister's statement what the plan will be. It is clear it is not in the same order as that recommended by the study group. That should be made very clear, Mr. Speaker. We certainly want a full statement at an early date as to what this plan is. On the basis of this general statement, I must question what impact this plan, whatever it may be, will have upon the economy of Prince Edward Island. It appears to be a different plan from that recommended by the study group.

Secondly, Mr. Speaker, what confidence can anyone in Prince Edward Island have that this plan will in fact be carried through, since it is being announced at the very time that the government is breaking a solemn undertaking with regard to the causeway? As far as today's announcement is concerned, Mr. Speaker, all we have is another promise. We have to know what the government's commitments are in terms of a firm agreement before making any comment on this aspect. We will be interested in knowing precisely what this agreement is.

This statement must be read carefully, because if anybody reads it quickly they may think the government of Prince Edward Island has agreed to this change. It should be carefully noted that the decision has been taken by the government of Canada following consultations of some sort with the government of the province. I would like to know whether the government of Prince Edward Island has agreed to this plan, Mr. Speaker, to abandon the causeway construction, and voluntarily accepted this alternative.

[Mr. Trudeau.]

We have no indication, but I presume we will learn in due course what contribution the people of Prince Edward Island are expected to make to this program. What is Prince Edward Island's share? This clearly represents another abandonment of a commitment made by a former Prime Minister of this country. I would not want to hold the government of Canada to an undertaking regardless of circumstances, but certainly this house and the country have been given no solid information at all as to the cost of discharging this firm undertaking to build the causeway, an undertaking given to the people of Prince Edward Island. We have only been given the simple statement that it is being abandoned. No information has been placed before us which would justify the government's not fulfilling a solemn commitment given to the people of the island province.

As I say, Mr. Speaker, it is difficult to discuss this on the basis of any information we have, because we have been given none—although a lot of information of some sort has been leaked out from time to time, no doubt calculated to give some kind of impression. I want to say that there can be no doubt about the importance of a reliable year-round service to Prince Edward Island if the economy is to develop, and I would question very much whether any plan of the magnitude announced here will have a very substantial effect in improving the economy of Prince Edward Island, without a permanent crossing being built as well.

Some hon. Members: Hear, hear.

Mr. Stanfield: Everything I say, Mr. Speaker, is subject to any solid information that the government may eventually produce to justify the decision it has taken. It has not given that information today. It is very doubtful if the economy of Prince Edward Island can develop substantially on the basis of the plan as announced, without satisfactory transportation system.

The tourist industry cannot develop to anything like its full potential on the basis of what is announced in this statement. The Atlantic Development Board, in a study, indicated that the development of the agricultural industry on Prince Edward Island is severely handicapped by the lack of a permanent crossing. I would venture to guess, Mr. Speaker, based on experience in the province

of Nova Scotia, that what is now going to happen is that the government will spend very large sums of money trying to improve the ferry service, and involve itself in increasing deficits of an operating nature. In the end it will spend as much money on the ferries as it would have spent on the causeway, and in the meantime will have continued to give a very inadequate service.

On the basis of any information that we have now, I think that the people of Prince Edward Island are being short-changed. I think it is time the government gave the house and the country some solid information which it believes can justify this kind of short-changing of the people of the island.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure that members in all parts of the house will be prepared to support any development project that would assist the province of Prince Edward Island, and help it to rehabilitate its economy. But before the members of the house can assess whether or not the project announced by the Prime Minister (Mr. Trudeau) will be of any value whatever, we need a great deal more information than has been given to us in the Prime Minister's very brief statement today.

It is a rather sad commentary on parliament that we have to look to the press in order to get some of the particulars with respect to this project. It is unfortunate one has to look to *Time* magazine to find out what this project is all about; and if the information in *Time* magazine is inaccurate, then of course the Prime Minister and the government must accept the responsibility for not telling the house what the actual facts are.

Assuming the report in *Time* magazine is reasonably accurate, this looks like a one horse, one rabbit deal. The contribution which the federal government proposes to make is $125 million in the first phase covering a period of seven years, and a contribution of $100 million in the second phase covering a period of 15 years. However the report in the press indicates that the province of Prince Edward Island will be required to put up $139 million in the first seven years, and in the second phase, in the last eight years, will be required to put up $380 million. This means that the provincial government will be contributing $519 million and the federal government $225 million.

• (2:20 p.m.)

But that is not all the story. Of the federal government's $125 million contribution in the first seven years, $41.6 million represents an interest bearing loan which the province must repay. Consequently the outright payment by the federal government will be $183.4 million, a little better than an average of $8 million a year over the 22 years that this project will be in effect. Now, $183.4 million or a little better than $8 million a year is very poor compensation indeed for the causeway that was promised to the people of Prince Edward Island.

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I would be interested in knowing whether the staff of the federal government which is studying federal-provincial affairs believes the province of Prince Edward Island can, over the life of this agreement, manage to meet its responsibility and also the loan which it must repay; this amounts in all to $560.6 million. That is a tremendous undertaking for a small province of a little over 100,000 people to assume, particularly when the federal government's contribution is to be a mere $183.4 million.

I think the government has a responsibility to provide an opportunity in the house, so that we can have all the information concerning what the respective commitments are, first with regard to the federal government and secondly with regard to the government of Prince Edward Island. I believe we have a right to know what guarantees and provisions are being made for the farmers who will be dispossessed under this program, for the lobster canneries that will be closed, for the industries that will be rationalized and for the number of ports that will be reduced. These are facts which we ought to have before us. I suggest to the Prime Minister that a bare statement such as we have today does not provide this house with the kind of information it requires upon which to make a proper judgment.

I urge that at an early opportunity the responsible minister, or the Prime Minister, should give the house the full details so that the matter can be debated. On the basis of the information we have at the present time I would say that the people of Prince Edward Island are getting the short end of the deal.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FRENCH LANGUAGE EDITION, "AUDIT OFFICE GUIDE"

Question No. 978—**Mr. Fortin:**

Is the publication "Audit Office Guide" (Cat. FA 3-258) available in the French language and, if not, (a) for what reason (b) when is it expected that it will be published in French?

Hon. E. J. Benson (Minister of Finance): The Auditor General has reported as follows: No. (a) No French edition of the Audit Office Guide was printed, presumably because there was no demand for it; (b) As the present edition of the Guide, which was released in January 1958, is now out of print, and as the text must be revised before a further edition can be printed, there are no plans for publishing the present edition in French. Important changes have been and are continuing to be made in the financial management of departments of government. When these changes are substantially complete, the intention is that the Audit Office Guide will be revised and a new edition released. The next edition will be made available in both official languages.

CITIZENSHIP APPLICATIONS REFUSED

Question No. 1,077—**Mr. Deakon:**

How many residents of Canada, who have applied for Canadian Citizenship during the years 1963, 1964, 1965, 1966 and 1967 were refused such citizenship?

Hon. Gérard Pelletier (Secretary of State): 1963, 337; 1964, 323; 1965, 287; 1966, 135; 1967, 146.

DEVELOPMENT OF CL-215 AIRCRAFT

Question No. 1,123—**Mr. Broadbent:**

1. Did Canadair Ltd. originally seek federal government support for its research and development project, CL-215 aircraft, under the Defence Development Sharing Program?

2. Was the project supported under the Department Program, "Program for the Advancement of Industrial Technology"?

3. If so, what amounts were funded by the Departmental PAIT Program in support of this project?

4. Was the project successful and, if so, what are the repayment provisions?

5. Under the new changes in the Defence Development Sharing Program, would the Canadair project CL-215 be eligible for government support under this program?

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

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. No.

2. Yes.

3. The Department of Industry has committed $5,250,000 under the Program for the Advancement of Industrial Technology to support the project, of which $4,535,300 had been spent as of December 31, 1968.

4. The project has not yet been completed. If the project is successful and the aircraft is put into commercial production, the Company is obligated to repay the Crown contribution wih interest on a royalty basis extending over the first 126 aircraft sold.

5. This a hypothetical question. If an application was submitted the decision would be taken by the Inter-Departmental Committee, Defence Export Development which advises Treasury Board on such matters.

FILM DEVELOPMENT CORPORATION ACTIVITIES

Question No. 1,188—**Mr. Fairweather:**

1. (a) In how many individual feature films has the Canadian Film Development Corporation invested (b) what are the names of these films?

2. (a) How many loans has the Canadian Film Development Corporation made to film producers (b) what was the amount of each loan and to whom was it paid?

3. (a) How many awards for outstanding accomplishment in the production of Canadian feature films has the CFDC made since its establishment (b) what are the names of the recipients?

4. (a) How many grants have been made by the CFDC to film makers and film technicians resident in Canada to assist them in improving their craft (b) what are the names of the recipients and the amount awarded?

5. What are the names of the firms and individuals who have been assisted by the CFDC in the distribution of their films?

6. What are the names of the firms and individuals who have been assisted by the CFDC in the administrative functions of feature film production?

7. How many feature films in the category "co-production" has the CFDC encouraged, made a partial investment in, been the primary investor?

8. What country, individuals or firms has CFDC made agreements with, including the names or firms involved as Canadian co-producers?

9. How many people are employed by CFDC?

10. What amount of money is paid to the chief executive officer annually and, what amount of money is paid to the Acting Secretary, or Secretary of the Corporation as the case may be?

11. What amount has been paid into the Canadian Film Development Advance Account from consolidated revenue?

12. What amount has been paid out of the Canadian Film Development Advance Account for (a) staff salaries (b) remuneration and expenses of the CFDC, for investment in all categories of feature film production?

13. How much has the CFDC received as proceeds from or on account of production of projects in which the Corporation has invested?

Hon. Gérard Pelletier (Secretary of State): I have been informed by the Canadian Film Development Corporation as follows: 1. (a) One feature film production; 14 additional projects have been accepted for initial investment. (b) The proposed title of the feature film production is "The Act of The Heart". Because of the confidential nature of negotiations between the Corporation and film producers, the Corporation, therefore, does not disclose details of projects in the pre-production stage.

2. (a) and (b) The Corporation is presently negotiating a contract for a loan with an applicant for the production of a feature film. The Corporation does not disclose the names of applicants during negotiation stages.

3. (a) and (b) None up to this time but the Corporation has allocated $100,000 for awards to be made before March 31, 1969.

4. (a) None; (b) Not applicable.

5. and 6. Frequent inquiries are made of the Corporation and discussions have been held with several companies and individuals concerning film distribution and the administrative functions of film productions.

7. None.

8. The Canadian Film Development Corporation is not empowered to make co-production agreements on behalf of Canada with other countries.

9. Five.

10. Executive Director $23,000 per annum.

11. As at December 31, 1968, $108,225.13.

12. As at December 31, 1968, (a) $25,641.57; (b) $82,583.56.

13. Nil. No films in which the Corporation has invested have been completed and gone into commercial distribution.

THEFT OF MAIL BAGS

Question No. 1,193—**Mr. Caouette:**

1. For each year since 1965, how many mail bags have been stolen in (a) Canada (b) the Province of Quebec?

2. What was total amount of money stolen in this manner in each of the provinces?

3. What was the total value of parcels stolen in each of the provinces?

4. What was the total number of letters stolen in each province?

5. What steps is the government taking to stop these thefts?

6. Is a study on this subject presently underway?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned:

1.	(a) Canada	(b) Quebec
1965	177	108
1966	111	84
1967	255	246
1968	727	538

2.	1965	1966	1967	1968
New Brunswick	–	–	12,225.00	–
Quebec	51,664.00	3,920.26	21,960.60	331,571.22
Ontario	675.00	523.68	175.00	–
Saskatchewan	–	–	705.00	–
Alberta	549.00	1,352.70	–	12,457.00
British Columbia	–	–	296.68	–

3 and 4. The Post Office Department does not maintain a record of the value of parcels stolen or of the number of letters stolen.

5. The primary responsibility for investigation of any crime rests with the police. The Post Office Department has its own Investigation staff, which maintains close cooperation with local police and other law enforcement agencies. The facts of each offence are studied for the information they may provide that will help in preventing future attempts. Departmental security procedures are under continuing review with the aim of ensuring that the best security precautions are in effect in the light of changing conditions.

6. Yes.

Questions

LOSS OF MAN-HOURS

Question No. 1,196—**Mr. Caouette:**

1. What was the number of man-hours lost in Canada in 1965, 1966, 1967 and 1968 as a result of (a) strikes (b) accidents (c) illness?

2. What was the number of man-hours lost in the Public Service of Canada in 1965, 1966, 1967 and 1968 as a result of (a) strikes (b) accidents (c) illness?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): 1. (a) Federal Jurisdiction (including Public Service of Canada): 1965, 244,410 man-days*; 1966, 1,440,450 man-days*; 1967, 173,840 man-days*; 1968 (Prel.), 498,840 man-days*; Provincial Jurisdiction: 1965, 2,105,460 man-days*; 1966, 3,737,720 man-days; 1967, 3,800,920 man-days*; 1968 (Prel.), 4,676,830 man-days*. All Jurisdictions (including Public Service of Canada): 1965, 2,349,870 man-days*; 1966, 5,178,170 man-days*; 1967, 3,974,760 man-days*; 1968 (Prel.), 5,175,670 man-days*; (b) and (c) Not available.

2. (a) 1965, 89,380 man-days*; 1966, Nil; 1967, 1,360 man-days*; 1968, 360,060 man-days*. (b) Man-days lost due to work injuries based on claims settled during fiscal years: 1964-65, 156,951; 1965-66, 190,002; 1966-67, 180,400; 1967-68, 200,857. (c) 1965, Not available; 1966, 1,347,318 man-days*; 1967, 1,380,511 man-days*; 1968, 1,391,438 man-days*.

* Question asked for man-hours; answers given in terms of man-days since the statistics are compiled on this basis.

UNEMPLOYMENT INSURANCE REGIONAL OFFICES

Question No. 1,272—**Mr. Fortin:**

1. How many regional offices of the Unemployment Insurance Commission were in operation during each of the past five years, in each province?

2. What criteria are used to open or close a regional office?

3. How many people were employed by the Unemployment Insurance Commission during each of the past five years and in each province?

Hon. Bryce S. Mackasey (Minister of Labour): The Unemployment Insurance Commission advises: 1. During the past five years, the Unemployment Insurance Commission operated five regional offices: Moncton, N.B., this office serves New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; Montreal, Que., Toronto, Ont., Winnipeg, Man., this office serves Manitoba, part of Western Ontario, Saskatchewan and Alberta; Vancouver, B.C.

Note: The Vancouver regional office serves Yukon and the Winnipeg regional office serves the Northwest Territories.

2. According to section 11(2) of the Unemployment Insurance Act, the Commission may establish such regional divisions as it considers desirable, and may establish a regional office within a regional division. The choice of the place where a regional office is to be opened depends on several reasons which amount to practical administrative, geographical and economic considerations.

3. The number of persons employed by the Unemployment Insurance Commission in each province is not available, but the following table shows the number of UIC employees in each regional division during each of the past five years:

	Head Office	Atlantic Region	Quebec Region	Ontario Region	Prairies Region	Pacific Region	Total
April 30, 1965	319	608	1,542	1,499	649	546	5,163
April 30, 1966	323	618	1,555	1,522	666	555	5,239
April 30, 1967	346	597	1,501	1,467	658	528	5,097
April 30, 1968	386	581	1,407	1,408	655	503	4,940
January 31, 1969	367	544	1,312	1,249	614	471	4,557

ATLANTIC DEVELOPMENT PROJECTS

Question No. 1,288—**Mr. Coates:**

1. How many projects were placed before the Atlantic Development Board from its inception to the present date?

2. Of the total number of projects before the Board (a) how many were approved by both the Board and the federal government (b) how many were approved by the Board and later rejected by the federal government (c) how many were rejected by the Board?

[Mr. Kierans.]

3. What has been the total value of the projects approved to date and what is the estimated value of projects presently before the Board that have not as yet received a final decision of approval or rejection?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. 244.

2. (a) 125; (b) 8; (c) 80 (31 projects cannot be classed as approved or rejected, as some

were turned over to other federal government departments to carry out, and others as a result of discussions following initial Board consideration were carried out by other means or otherwise dropped as proposals for Board assistance.)

3. $189,295,000; $20,000,000.

EXTENSION OF SERVICE ON FISHERIES VESSELS

Question No. 1,297—**Mr. Muir (Cape Breton-The Sydneys):**

1. What is the procedure followed in receiving, considering and ruling upon applications for extension of service from officers and crew members of vessels under control of the Department of Fisheries in the Atlantic region?

2. How many such applications have been received in the past year, what was (a) the position (b) name and home address of each applicant (c) what was the decision in each case?

3. What are the principal grounds upon which applications for extension of service are either approved or rejected?

4. Are all such applications subject to final disposal by a senior departmental official at headquarters in Ottawa or can final disposal be made by departmental officials in provincial or local offices of the Department?

5. Is any provision made for appeal by an applicant and, if so, what procedure is prescribed?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. The employee may submit a written request to his superior officer in the region to be considered for an extension of service. This request is reviewed by senior officers of the region and a recommendation forwarded to departmental headquarters.

2. Two. (a), (b), (c): Engineer: Narcisse A. Daigle, P.O. Box 55, Richibucto, Kent Co., N.B., extension approved. Deceased while on extension. Quartermaster: A. W. Bagnall, R.R. 1, Gabarus, N.S., extension approved. (Difficulty in obtaining a replacement).

3. The needs of the department are the principal grounds in deciding on extensions of service, rather than the personal desires of the employee.

4. Recommendations from Regional Directors are reviewed by the Deputy Minister and a final decision is made by him.

5. There is no provision for appeal.

RENOVATION OF SENATORIAL OFFICES

Question No. 1,334—**Mr. Coates:**

Has the Department of Public Works renovated the offices of any Senators since June 25, 1968 and, if so (a) was such work done at the request of Senators (b) which Senators made such requests (c) what was the cost to the federal government in each specific instance?

Hon. Arthur Laing (Minister of Public Works): Yes, (a), (b), and (c). Listed below.

Renovations	Project	Requested by	Cost
	Room 271-S Installation of air conditioning unit and painting	Senators J. Connolly and J. W. deB. Farris	850.19
	Room 185-S Construction of radiator covers	Senator J. B. Aird	398.00
	Rooms 183-S, 185-S and 187-S Installation of new lighting and redecoration of rooms	Initiated by Department of Public Works	3,009.00
	Room 279-S Construction of bookshelves	See reply to Question No. 310	
Furniture			
	Room 280-F (Speaker's Quarters)	Senator J. P. Deschatelets	374.00
	Room 459-S	Senator F. E. Inman	96.00
	Room 371-S	Senator J. Flynn	2,156.85
	Room 479-S	Senator C. McElman	238.00
	Room 659-S	Senator R. Eudes	83.55
	Room 279-S	See reply to Question No. 310	

Questions

NATIONAL ARTS CENTRE—"PROLOGUE"

Question No. 1,335—**Mrs. MacInnis:**

1. What was the total cost of publishing each of the first three Bulletins, known as *Prologue*, of the National Arts Centre?

2. How many copies were printed of each bulletin?

3. How many pages were there in each bulletin?

4. What was the cost of the art work on the cover of each bulletin?

5. What was the cost of mailing each bulletin?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): I am informed by the National Arts Centre as follows: 1. Prologue 1, $6,752.63; Prologue 2, $6,227.78; Prologue 3, $4,250.35.

2. Prologue 1, 20,000; Prologue 2, 20,000; Prologue 3, 25,000.

3. Prologue 1, 11 pages; Prologue 2, 15 pages; Prologue 3, 15 pages.

4. Prologue 1, $2,462.45; Prologue 2, $2,899.04; Prologue 3, $250.00.

5. Prologue 1, $600.00; Prologue 2, $600.00; Prologue 3, $1,300.00.

C.B.C.—APPEARANCE OF SIR OSWALD MOSLEY

Question No. 1,364—**Mr. Haidasz:**

1. Did the CBC provide TV exposure for the views of Sir Oswald Mosley and Ron Gostick at public expense and, if so, what is the corporation's policy in this regard?

2. Were Sir Oswald Mosley and Ron Gostick paid a fee by the CBC for their appearances on the CBC public programs and, if so, what was the amount of such fees and expenses?

3. Have any complaints been received by the management of the CBC protesting the appearance of Sir Oswald Mosley and Ron Gostick on CBC programs?

4. What was the reaction of CBC management to these protests?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. Sir Oswald Mosley was on "Front Page Challenge" and received the normal fee for his appearance. Ron Gostick was interviewed on "The Day It Is", without payment. In each case the procedure followed was in accordance with C.B.C. policy and practice. Mosley's appearance on the commercially-sponsored "Front Page Challenge" was in the capacity of guest challenger whereas Gostick was interviewed on "The Day It Is" as a newsworthy figure and was questioned about hate literature directed against Mr. Trudeau during the 1968 election campaign and about anti-Semitism.

[Mr. Laing (Vancouver South).]

2. See above. It has not been customary to require the C.B.C. to disclose payments made to individuals.

3. Yes.

4. Upon review, the C.B.C. concluded that "Front Page Challenge" was not a suitable forum for Mosley, while upholding C.B.C. policy of examining all viewpoints on matters of public interest. The C.B.C. felt that the Gostick interview was a legitimate item for a public affairs interview program such as "The Day It Is".

RECRUITMENT, CANADIAN ARMED FORCES

Question No. 1,387—**Mr. Muir (Cape Breton-The Sydneys):**

1. What is the number of recruits who joined the Armed Forces of Canada in the month of January 1969?

2. What was the number of enlistments in the Armed Forces of Canada in Cape Breton in the month of January 1969?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. 813.

2. 12.

EXTENSION OF FARM TRAINING PROGRAM

Question No. 1,392—**Mr. Skoberg:**

1. Is the External Aid Office going to expand their Farm Training Programme and, if so (a) in what way (b) for how many people and in what countries?

2. Is the Secretary of State for External Affairs going to accept the offer made by the National Farmers Union in their Annual Brief, dated April 1968, as to the (a) recruiting and organizing of a contingent of practical farmers to assist with the mechanization of agriculture in developing nations (b) has there been an Agricultural Division of the External Aid Office organized to date (c) if not, are there any plans for the establishment of such a Division under External Aid contemplated?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The External Aid Office, now known as the Canadian International Development Agency, is prepared to assist any of the eligible recipient countries with farm training programs if the program offers real prospect of contributing to the economic development of the country concerned. Canadian development assistance is, however, provided after a priority requirement has been identified and a request for assistance has been received from a developing country. In the circumstances, it is not possible to forecast the numbers of Canadian personnel that may be required in this field

during the coming year or in what countries they would be requested to serve.

2. The Canadian International Development Agency welcomes the assistance of outside organizations in the implementation of its programs and should a requirement develop for practical farmers to assist with the mechanization of agriculture in the developing nations, would be pleased to discuss the matter further with the National Farmers' Union. Although CIDA does not have an Agricultural Division it has a Senior Agricultural Adviser on its staff and works in close cooperation with the Department of Agriculture when agricultural projects are selected for financing under Canadian development assistance programs.

NEW GLASGOW, N.S., FEDERAL BUILDING

Question No. 1,395—**Mr. MacEwan:**

1. What were the names, addresses and amounts of the various tenders for relighting postal accommodation in the Federal Building at New Glasgow, Nova Scotia?

2. To whom will this contract be awarded?

Hon. Arthur Laing (Minister of Public Works): 1. Edwin A. Smith, R. R. No. 1, Aspen, Guysboro County, N.S., $5,741.64; Ferguson Industries Limited, Pictou, N.S., $6,414.00; Hudry Electric Ltd., Stellarton, N.S., $7,100.00; C. E. MacCarthy, Box 156, New Glasgow, N.S., $7,259.62.

2. Edwin A. Smith.

TEMISCAMINGUE, QUE.—SMALL BUSINESSES LOANS

Question No. 1,405—**Mr. Caouette:**

1. During the years 1965 to 1968 inclusive, how many loans were granted under the Small Businesses Loans Act (a) in Canada (b) in the Province of Quebec (c) in the federal constituency of Temiscamingue?

2. What was the average amount of such loans?

3. What was the total amount of such loans?

4. In which municipalities of the federal constituency of Temiscamingue were these loans granted and what was the amount of each?

5. What criteria determine the approval or rejection of applications for such loans?

Hon. E. J. Benson (Minister of Finance): 1. 2 and 3, (a) and (b): See attached table; (c): These statistics are not broken down by constituencies, so the information is not available.

4. This information is not available.

5. The requirements to be met to obtain a loan under this program are set out in the Act and Regulations (P.C. 1960-1764 as as amended by P.C. 1967-2119 and P.C. 1968-2097). To qualify for the guarantee under the Act, the loan must be made in accordance with the terms of the Act and Regulations, and a responsible officer of the bank is required to certify that he has exercised the same care in making a Small Business Loan that is required of him by the bank in the conduct of its ordinary business.

Year	Canada			Quebec		
	Number of loans	Total Amount of loans	Average Amount of loans	Number of loans	Total Amount of loans	Average Amount of loans
		$	$		$	$
1965	2,835	26,033,094	9,183	628	6,824,475	10,867
1966	2,187	20,095,355	9,178	277	2,863,399	10,337
1967	2,073	20,700,738	9,995	266	3,097,856	11,646
1968	1,103	11,190,027	10,145	203	2,223,285	10,952
Total	8,198	78,019,214		1,374	15,009,015	
Average loan 1965 to 1968			9,517			10,923

TEMISCAMINGUE, QUE.—SPORTS GRANTS

Question No. 1,406—**Mr. Caouette:**

1. Which sports associations in the federal constituency of Temiscamingue received grants under the Amateur Sports Act during the past three years?

2. What was the amount received by each province under this Act during the past three years?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. None. The Province of Quebec does not participate in the federal-provincial cost sharing program under the Fitness and Amateur Sport Act.

Questions

2. Province	1965-66	1966-67	1967-68
Newfoundland	$ 48,735	$ 61,311	$ 87,571
Prince Edward Island	36,897	35,899	43,876
Nova Scotia	47,614	50,925	56,860
New Brunswick	68,901	67,970	83,192
Ontario	133,517	128,982	251,942
Manitoba	63,876	63,114	81,114
Saskatchewan	38,813	60,990	62,055
Alberta	26,908	43,874	101,683
British Columbia	80,743	88,252	88,881
North West Territories	34,206	35,762	35,762
Yukon	22,283	32,210	32,797

[*English*]

CANADIAN SKI ASSOCIATION SUBSIDY

Question No. 1,418—**Mr. Matte:**

1. What is the amount of the federal subsidy granted to the Canadian Ski Association?

2. What proportion does the Province of Quebec receive?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. $198,217.

2. The federal grant is made to the sports governing body for projects that are conducted on a national basis.

[*English*]

GUARANTEED ANNUAL INCOME STUDY

Question No. 1,425—**Mr. Fortin:**

Has the government made any study relating to the possibility of establishing a guaranteed annual income and, if so, will the report following such study be laid before the House and, if not, for what reason?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): The government has authorized a review of all our social welfare programs, and in that context the concept of the guaranteed annual income is under study.

[*English*]

DISCONTINUANCE OF FISHING BOUNTY

Question No. 1,463—**Mr. Crouse:**

For what reason has the Statutory Fishing Bounty, as listed under Fisheries Vote 15, been discontinued for 1969-70, and what alternative use will be made of these funds?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): It is proposed, subject to approval of Parliament, to eliminate this item. The total annual outlay has been $160,000 for many years; the per capita payment for fishermen in Nova Scotia, New Brunswick and Prince Edward Island has been less than $10, and the administrative costs are high. Savings resulting from change will be used for the expansion of the fishery resource.

[Mr. Munro.]

C.B.C.—PAYMENTS TO ADOLPH VON THADDEN

Question No. 1,475—**Mr. Diefenbaker:**

What were the respective amounts paid by the CBC to Adolph Von Thadden and to Sir Oswald Mosley?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: It has not been customary to require the C.B.C. to disclose payments made to individuals.

REGISTRATION OF PURE BRED DOGS

Question No. 1,478—**Mr. Anderson:**

Does the Minister of Agriculture intend to approve the Canadian Kennel Club's proposed withdrawal from Canadian National Livestock Records and, if so, will it be possible for British Columbia members of the Canadian Kennel Club to continue the registration of pure bred dogs with Canadian National Livestock Records?

Hon. H. A. Olson (Minister of Agriculture): The Canadian Kennel Club have been advised that there would be no objection to their proposed withdrawal from the Canadian National Livestock Records, as long as they continue to operate under the Livestock Pedigree Act.

Section 4 of the Livestock Pedigree Act precludes the possibility of British Columbia members of the Canadian Kennel Club from continuing the registration of pure bred dogs with the Canadian National Livestock Records should their association withdraw.

BUTTER AND TRACTOR PRICES—WAGES

Question No. 1,481—**Mr. Lambert (Bellechasse):**

1. What was the retail price of butter in the years 1940 and 1949?

2. What was the average hourly wage in the years 1940 and 1949 for (a) carpenters (b) electricians (c) plumbers?

3. What was the average price of a farm tractor, 35 H.P., in the years 1940 and 1949?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics and the Department of Labour as follows:

1. Average retail price of creamery butter in Canada, one pound print: Year 1940, 29.6 cents; Year 1949, 63.2 cents.

2. The attached table provides the average hourly rate for carpenters, electricians and plumbers for 1940 and 1949 in selected cities. An overall national average wage rate for each of these three occupations is not available.

3. Information requested is not available.

Average Hourly Wage Rates in the Construction Industry for Selected Occupations in Certain Cities Across Canada—October 1, 1940 and 1949

City	1940			1949		
	Carpenter Average Rate	Electrician Average Rate	Plumber Average Rate	Carpenter Average Rate	Electrician Average Rate	Plumber Average Rate
	$	$	$	$	$	$
Halifax	.70	.95	.95	1.23	1.33	1.30
Québec	.60	.60	.60–.65	1.10	1.10	1.10
Montreal	.77	.83	.85	1.25	1.35	1.55
Ottawa	.85	.80	.95	1.30	1.30	1.60
Toronto	.95	1.10	1.00	1.60	1.75	1.75
Winnipeg	.85	.85	.95	1.40	1.40	1.55
Edmonton	.90	.85	1.05	1.47½	1.60	1.60
Vancouver	.75–.90	.85–1.00	1.00	1.60	1.70	1.70

CHANGES IN FORCES RECRUITMENT POLICY

Question No. 1,492—**Mr. Anderson:**

1. Have there been any policy changes regarding recruitment for the Canadian Armed Forces since 1966?

2. How many new recruits have been accepted by the Canadian Armed Forces per month during 1967 and 1968?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Attention is directed to *Hansard* dated 5 December 1967, pages 5197-99 and Minutes of Proceedings and Evidence No. 14 of the Standing Committee on External Affairs and National Defence dated 21 November, 1968, page 578.

2.

	1967	1968
Jan	883	88
Feb	1,313	248
Mar	1,687	181
Apr	1,106	243
May	1,451	326
Jun	959	506
Jul	857	535
Aug	1,477	1,299
Sep	1,699	865
Oct	788	913
Nov	365	742
Dec	110	608

REGULATIONS RESPECTING CONFIDENTIAL REPORTS

Question No. 1,497—**Mr. Harkness:**

1. Under present regulations, are Warrant Officers and N.C.O.'s no longer allowed to read their confidential reports?

2. If so, for what reason?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Warrant and non-commissioned officers no longer see their confidential reports.

2. Previously, in the R.C.N. and Canadian army, men saw and signed their confidential reports. In the R.C.A.F., confidential reports were shown to men only when unfavorable comments were made and the report was considered to be adverse. With the new Performance Evaluation System, the key is the Performance Evaluation Report and the thoroughness with which it is prepared at three levels of reporting. With regard to disclosure of contents, the great value of personal discussion of performance is recognized. It is the duty of the superior to encourage and advise his men, and men have every right to know whether or not their performance is satisfactory. It is considered, however, that the validity of the Performance Evaluation Report is improved when it is kept

confidential, therefore, under normal circumstances, the completed form is not shown to the individual. Discussions with supervisors concerning good or bad performance are encouraged and are taking place continually, as well as at the time of evaluations. In this way no shortcomings should be contained in a report unless the man is aware of such and the Reviewing Officer is required to certify that the individual has been counselled during the reporting period on overall performance including the noted shortcomings.

CANADIAN ARMED FORCES STRENGTH

Question No. 1,498—**Mr. Harkness:**

1. What was the strength of the Armed Forces as at January 31, 1969?

2. Of the total number, how many were on terminal leave?

3. In the case of Parts (1) and (2) above, how many were women?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. 97,798.

2. 1960

3. (a) 1,621; (b) 10.

RECRUITMENT, CANADIAN ARMED FORCES

Question No. 1,499—**Mr. Harkness:**

1. What was the number of recruits to the Armed Forces for each of the months from August, 1968 to January, 1969 inclusive?

2. For each of the above months, what was the number of discharges?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence):

1.	Month	Total
	August 68	1,299
	September 68	865
	October 68	913
	November 68	742
	December 68	608
	January 69	813
2.	August 68	1,350
	September 68	961
	October 68	981
	November 68	975
	December 68	1,000
	January 69	1,018

OLYMPIC GAMES BUDGET

Question No. 1,502—**Mr. Osler:**

What was the total budget of the Canadian Olympic Association for the Olympic Games, including the amount granted by the federal government to it for this event?

[Mr. Groos.]

Hon. John C. Munro (Minister of National Health and Welfare):

1968	Winter Olympics, Grenoble	$ 80,000
1968	Summer Olympics, Mexico	155,000
		$235,000

FORT MCMURRAY, ALTA.—TELEVISION FACILITIES

Question No. 1,515—**Mr. Yewchuk:**

What are the tentative dates for establishment of television transmission facilities for (a) the Town of Fort McMurray (i) frontier package (ii) live rebroadcasting station (b) for the area of High Level, Fort Vermilion and LaCrete (i) frontier package (ii) live rebroadcasting station?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: (a) (i) A C.B.C. application of a TV frontier coverage package was filed with the Canadian Radio-Television Commission on February 25. If approved by the CRTC, the station is expected to be established and in operation within a year of receipt of approval; (ii) The present outlook for establishment of live CBC-TV service to the area is not encouraging due to high cost of such a project, although live service remains a possibility for the future.

(b) (i) A frontier coverage package is not planned; (ii) The C.B.C. has tentative plans to file an application with the CRTC in late 1970 to establish the rebroadcasting stations necessary to serve the area. However it is not possible to suggest any firm target date at this juncture.

C.B.C. ADVERTISING REVENUE

Question No. 1,523—**Mr. Diefenbaker:**

What has been the total advertising revenue of the CBC year by year, since 1956?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows:

Fiscal Years	
1955-6	$19,472,000
1956-7	23,913,000
1957-8	28,410,000
1958-9	32,270,000
1959-60	38,162,000
1960-1	37,602,000
1961-2	32,910,000
1962-3	30,847,000
1963-4	32,392,000
1964-5	33,208,000
1965-6	33,563,000
1966-7	35,153,000
1967-8	38,734,000

SALARY OF GENERAL ALLARD

Question No. 1,532—**Mr. Coates:**

What is the present salary of General Jean Allard, Chief of Staff of the Armed Services, and on what date was the present salary determined?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): $28,750 effective 1 January, 1967.

SALARY OF C.B.C. PRESIDENT

Question No. 1,533—**Mr. Coates:**

What is the present salary of the President of the C.B.C. and on what date was the present salary determined?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: The salary of the President of the C.B.C. is $45,000. per annum, effective February 1, 1968, as approved by Order in Council P.C. 1968-119 dated January 18, 1968.

CANADIAN PATENT OFFICE RECORD

Question No. 1,539—**Mr. Caouette:**

1. How many copies of the *Canadian Patent Office Record* are printed each week?

2. What is the weekly printing cost of the publication?

3. To whom is the publication sent?

4. Is this publication bilingual in its entirety or is it printed in English with a bilingual cover?

5. If this publication is not bilingual in its entirety, what are the reasons for this and will the government make it fully bilingual?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. One thousand copies of the Canadian Patent Office Record are printed each week.

2. The weekly printing cost on an average for the last 48 weeks has been $5,726.75.

3. The publication is distributed as follows: Paid subscriptions to patent agents and manufacturing firms all over the world, 585; Public Printing and Stationery free lists to government departments, members of parliament, public libraries, etc., 238; Patent Office free exchange list in exchange for other countries' official journals, etc., and also for scientific periodicals and trade journals for office use, 40; Patent Office, internal use, 12; Stock for sale by Public Printing and Stationery, 125.

4. The cover page, notices of a general nature and the heading of each page are bilingual. For each patent issued one drawing and two claims are published, taken from and in the language of the specification, which must be in either English or French. Any patent application received in the French language is printed in the French language. Any patent application received in the English language is printed in the English language. Any Erratum, Certificate of Correction, etc., pertaining to a patent is published in the language of the issued patent.

5. An applicant for a patent may have the issued patent published in the language of his choice, either French or English, by filing his application in the language in which he wishes it published. As the claims published in the Record are taken from the specification they are published in the same language as the specification.

CURVENTON, N.B.—FISH COUNTING STATION

Question No. 1,550—**Mr. Smith (Northumberland-Miramichi):**

How many (a) grilse (b) adult salmon have passed upstream annually through the fish counting station at Curventon, Northumberland County, New Brunswick since its installation on the Northwest Miramichi River?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries):

Year	Grilse	Adult Salmon
1950	1971	726
1951	2183	812
1952	2142	1307
1953	2165	1033
1954	2601	1081
1955	2756	782
1956	774	563
1957	875	706
1958	2420	580
1959	7355	1002
1960	2792	377
1961	954	877
1962	2285	224
1963	6088	309
1964	5127	146
1965	1689	120
1966	2913	111
1967	1794	169
1968 (to Oct. 15)	817	29

ATLANTIC SALMON IN CONVENTION AREA

Question No. 1,551—**Mr. Smith (Northumberland-Miramichi):**

Have any representations been made or consultations held with the International Commission for the Northwest Atlantic Fisheries to prohibit the fishing, on the high seas, for Atlantic Salmon in the Convention area and, if so, what were the results of such action?

Questions

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Yes, in 1967. The proposal was not accepted because of requirement for further scientific assessment of the effect of high seas fishing on Atlantic salmon stocks.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT INSURANCE RECIPIENTS

Question No. 699—**Mr. Robinson:**

1. How many male persons and how many female persons received unemployment insurance benefits in each of the provinces for each month during the years 1960, 61, 62, 63, 64, 65, 66, 67?

2. How much money was paid in unemployment insurance benefits to male persons and female persons in each of the provinces and in each month during the years 1960-67 inclusive?

3. How many families (a) with husband working received unemployment insurance for the wife, and (b) with the wife working received unemployment insurance for the husband, in each month during the years 1960-67 inclusive?

4. How many male/female persons received unemployment insurance benefits in Toronto/Montreal in each month in each of the years 1960-67 inclusive?

5. How much money was paid to male/female persons in Toronto/Montreal in each month in each of the years 1960-67 inclusive?

6. How many male/female persons received unemployment insurance benefits?

Return tabled.

IMMIGRATION TO CANADA

Question No. 1,259—**Mr. Beaudoin:**

1. Since 1960, how many people have immigrated to Canada?

2. What were their countries of origin and what were their mother tongues?

3. What was their occupation in their country of origin?

4. What are the criteria used by the Department of Manpower and Immigration in refusing entry to prospective residents of Canada?

Return tabled.

Mr. W. B. Nesbitt (Oxford): I rise on a point of order, Mr. Speaker, regarding written questions. I have reference to question No. 1608 of February 28. I submitted this question as a starred question but it does not appear as such on the order paper. I would hope that perhaps this error might be corrected.

[Mr. Smith (Northumberland-Miramichi).]

MOTION TO ADJOURN UNDER S.O. 26

EDUCATION

DENIAL OF OPPORTUNITY TO LEARN BOTH OFFICIAL LANGUAGES—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I beg leave, seconded by Mr. Paproski, under Standing Order 26, to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely the denial of the basic right of our young citizens to be given an education in the language of their choice, in that English speaking children entering kindergarten, even here in the national capital, are being refused entry into French language classes.

Although education, as such, is a provincial responsibility, the rights of citizens are being affected and national unity is being threatened by this action. Federal jurisdiction involves citizenship as well as national unity and present policies are introducing discrimination into the Canadian society in a flagrant disregard for the principles outlined in the languages bill now before the house.

Mr. Speaker: The hon. member for Cochrane has filed with the Chair the notice required under subsection (2) of Standing Order 26. Subsection (5) of the standing order states that:

> In determining whether a matter should have urgent consideration, Mr. Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government—

In my view the grievance raised by the hon. member for Cochrane does not satisfy this particular requirement. The subject matter of the proposed motion does not appear to concern the administrative responsibility of the government, nor could it come within the scope of ministerial action.

[*Translation*]

I agree with the hon. member for Cochrane that this matter is important and urgent. However, in view of the provisions of the standing orders of the house, and more particularly those of Standing Order 26, it is not possible, I think, to adjourn the business of the house in order to discuss that question.

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr.

Speaker, notice of motion No. 79 is acceptable to the government, subject to the usual reservations concerning privileged papers and authorization of the government authorities concerned.

[*English*]

CORRESPONDENCE CONCERNING PROCESSING OF DAMP GRAIN

Motion No. 79—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Government of Saskatchewan and the Government of Canada with respect to the processing of damp and tough grain in Saskatchewan and the transportation of grain during the period of October 1, 1968 and January 31, 1969 inclusive.

Mr. Speaker: Subject to the reservations or conditions expressed by the hon. parliamentary secretary, is it the pleasure of the house that Notice of Motion No. 79 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you kindly call notices of motions Nos. 63 and 67?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

P.F.R.A.—TRANSFER OF COST

Motion No. 63—**Mr. Dinsdale:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all documents and correspondence exchanged between the Government of Canada and the Government of Manitoba with respect to transferring part of the cost of Prairie Farm Rehabilitation Act projects from Ottawa to the provincial governments.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, the department is presently engaged in discussions with the prairie provinces respecting a new arrangement regarding certain water projects constructed by P.F.R.A. These discussions are still going on and until they are completed, the confidentiality of the relevant documents and correspondence must be preserved in accordance with well-established practice regarding negotiations between governments.

The minister is fully prepared, however, to agree to table these documents at the end of the negotiations, subject to the usual reservations concerning privileged papers and authorization of the provincial authorities concerned. In view of this, Mr. Speaker, I would ask the hon. member to withdraw the motion.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in view of the fact that this deals with a controversial area of intergovernmental relations may I ask that this motion be transferred for debate.

Mr. Speaker: The motion is transferred for debate, pursuant to Standing Order No. 48.

COMMENTS ON "POLICIES FOR PRICE STABILITY"

Motion No. 67—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all letters, communications, reports, memoranda, or other data received by the Minister of Consumer and Corporate Affairs commenting on his White Paper "Policies for Price Stability".

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, there have been discussions with the hon. member for Winnipeg North (Mr. Orlikow) in regard to this motion, and I believe agreement has been reached that only part of the motion is acceptable to the government. The documents referred to in the motion comprise internal memoranda and reports which are privileged, and will therefore not be tabled. Concerning correspondence mentioned in the motion, the hon. member appreciates, I believe, that I solicited many letters from individuals who would not have expected nor wished their answers to be made public. If the hon. member is agreeable, I am prepared to table shortly those letters which were not solicited by me and not marked as confidential.

Mr. David Orlikow (Winnipeg North): That is acceptable, Mr. Speaker.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that notice of motion No. 67 be adopted?

Motion agreed to.

ORAL QUESTION PERIOD

REGIONAL DEVELOPMENT

P.E.I.—REQUEST FOR PLAN DETAILS—REJECTION OF CAUSEWAY—REQUEST FOR STUDY BY STANDING COMMITTEE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to pose a question to

the Prime Minister relative to the announcement he made on motions. I ask when he will be prepared to table and make available to all members of parliament the details of the development plan. In the meantime, I would like to ask the Prime Minister whether the figure of $125 million over seven years, which he quoted, is over and above financial transfers between the federal government and the government of Prince Edward Island, which transfers are in force at the present time; or does this figure include part or all of the transfers which have become the normal practice in the last few years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Forestry and Rural Development will be signing on Friday of this week an agreement with the government of Prince Edward Island. I am sure he will be pleased to table that agreement in the house any time after that, and will be pleased to answer any specific questions arising from the agreement.

Mr. MacLean: A supplementary question, Mr. Speaker. Would the Minister of Forestry and Rural Development say now what this figure of $125 million actually means?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, the agreement is not signed, it can still be modified. I think it would be improper for me to cite any figure at this moment.

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order. We have just had an announcement by the Prime Minister with regard to specific figures. We have had previous announcements by the minister of regional and economic expansion with respect to the agreement to be signed on Friday. Now the minister refuses to give information to the house on the basis that the agreement has not yet been reached. Surely we are being given sophist answers which are not in any way attempting to deal with questions raised by hon. members of this house.

Mr. Trudeau: Mr. Speaker, we could have signed the agreement on Friday and not made any prior announcement in the house. Surely the fact that we made an announcement of an agreement, which is not yet a public document, which is not yet binding on both governments—

Mr. Woolliams: Why did you make a statement?

[Mr. MacLean.]

Mr. Benson: Because you wanted some information.

Mr. Trudeau: Because the members of the opposition have been asking us questions about when this agreement would be signed. The hon. member for Egmont last week asked for information on when it would be signed. The opposition cannot on the one hand ask for information, and when they get it complain that they have received it.

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

Mr. MacDonald (Egmont): Mr. Speaker—

Mr. Speaker: Order, please. The hon. member has stated his point of order. I would think we might now go back to the hon. member for Malpeque, who I understand has a further supplementary question.

Mr. MacLean: I would like to ask a supplementary question, Mr. Speaker. It is on a somewhat different subject but also relates to the statement made by the Prime Minister. Does the statement made by the Prime Minister with regard to the causeway mean that it is only postponed for a period of time, perhaps for the 15 years, or is it definitely cancelled?

Mr. Trudeau: I cannot, of course, say what will be done by federal governments in future years. I cannot bind them. But I will make a deal. If all the opposition agree that we should increase, for instance, the social security tax by 1 per cent, we would raise enough money to build the causeway. If there was a proposition from the opposition to this effect we could consider it.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker, to either the Prime Minister or the Minister of Forestry and Rural Development with respect to the figures the Prime Minister gave in his statement. In view of the fact that the agreement has not yet been signed and could be modified, it seems all the more important that the opposition know all the facts, so we can make representations to the government. Does the $125 million which is to be paid in the first seven years of the agreement include $41.6 million of an interest-bearing loan, and is the rest of the contribution to be an outright grant to the province of Prince Edward Island?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as soon as the text of the agreement is tabled in the house, it will be easy, I believe, to clarify the points raised by the hon. member.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question. I ask the Minister of Public Works whether he will give the house information regarding the cost of the causeway, as proposed, and the reasons for cancelling this project; or is he going to treat this house with the contempt with which the government has treated the people of Prince Edward Island?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I cannot agree with the language of the hon. member. I do not think it is realistic language. I have not treated the other side with contempt, and I do not think anyone on this side of the house has done so.

Mr. MacDonald (Egmont): Now answer the question.

Mr. Laing: I think there is a motion for the production of papers which was addressed to my department in the first instance, but which I think is now assumed by the Department of Transport. I think the information that was sought is going to be placed on the table.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Does the minister not think that, with regard to a topic like this, in regard to which a public commitment has been made, this house and the people concerned deserve an explanation at the time the announcement is made cancelling the project?

Mr. Laing: Yes, I would agree with that statement. I think an explanation has been given. I think the Prime Minister gave an explanation today, namely that there is a certain volume of resources and they have to be used to the best advantage.

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker, related to the remarks of the Prime Minister a moment ago concerning the cost of this causeway, and the confusion that has arisen with the Minister of Public Works with regard to the notice of motion for the production of papers. Would the Minister of Transport inform the house when the document that was promised many weeks ago, the Stanford Research Institute study, that would make available some of the answers to questions raised, will be tabled in this house?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I understood it was being tabled as part of an order for additional papers. To the best of my knowledge, I expected it had been tabled already. I would be glad to refer this matter to some appropriate person and see what the situation is.

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I know that the hon. member is rising to ask a question on a very important matter, but I wonder whether we could not go on to another subject. The hon. member for Egmont has a supplementary question, and I believe the hon. member for Hillsborough also has a supplementary question.

Mr. MacDonald (Egmont): In asking this supplementary question, Mr. Speaker, perhaps I can assist the members of the house to satisfy much of the concern over this problem. I ask the Prime Minister whether he will give consideration to referring the Stanford Research Institute documents, as well as witnesses from the Northumberland consultants, particularly Colonel Edward Churchill who was assigned by the government to help clear up any difficulties with the project, to the Committee on Public works, where we could hear the evidence of these people and study these documents in order that a complete disclosure and discussion can be had on this important subject.

Mr. Trudeau: We would welcome a full and total exposure on this important subject. Of course the committee can choose the persons it wants to hear on this. We have no objection to producing the facts on which our decision was made. It would have been nice to have both the FRED program and the causeway too, but the amount of money involved is such that the Canadian taxpayer could not be asked to contemplate it at this time. The choice between the causeway and a ferry service was made on the basis of cost accounting, and we would be very happy to have the opposition know the facts behind this.

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. I believe that, perhaps without meaning to, the Prime Minister

implied something that is not in accordance with the fact, that has been made available to many people now, that the present ferry operation will cost the federal government $1 billion in the next 60 years.

Mr. Heath Macquarrie (Hillsborough): May I ask the Prime Minister whether he is considering setting up a task force to find some alternative use for the $15 million worth of roads and railways already built in this long promised and now callously abandoned project?

Mr. Speaker: Order, please. The hon. member for York South.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker—

Mr. Speaker: The hon. member for Oxford appears to be disappointed that I do not allow him to ask a supplementary question. I do not want to disappoint him so I will allow the question.

Mr. Nesbitt: Your Honour assumes that, despite the noise, I could make you hear the question, and I will be very pleased to present it. If I seemed a bit disappointed it is perhaps because I have not been able to catch your eye for the last day or so.

My supplementary question is as follows—

Some hon. Members: Oh, oh.

Mr. Nesbitt: I am afraid I am having difficulty in making Your Honour hear my question. My supplementary question is directed to the Minister of Forestry and Rural Development. Would the minister consider delaying the signing of this agreement with the government of Prince Edward Island until perhaps the Standing Committee on Transport and Communications has had the opportunity of presenting its report, in view of the fact that the committee has just returned from the Atlantic provinces and heard briefings on this important subject, and was hoping to make appropriate recommendations to the government.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, if the government of Prince Edward Island asks us to delay the signing of the agreement, we shall certainly do so, but not on our own initiative.

[Mr. MacDonald (Egmont).]

[*English*]

EXTERNAL AFFAIRS

WEST GERMANY—POSSIBLE CONFRONTATION ARISING FROM ELECTION OF PRESIDENT—NATO CONSULTATION

Mr. David Lewis (York South): Mr. Speaker, yesterday I asked the right hon. Prime Minister whether, in view of the serious situation in Berlin and the developing difficulties, the members of NATO were consulted before the decision was made to hold the elections of the West German president in west Berlin, and the Prime Minister said he would refer the question to the Secretary of State for External Affairs. Perhaps we might have an answer.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we were informed some months ago of the intention of the federal government to hold the presidential election in west Berlin on March 5 this year, in accordance with the practice followed since 1954. The subject has been fully discussed in NATO, as I informed the house on February 10. Canada and the other NATO allies have supported the course taken by the federal government of Germany in carrying out this established democratic practice in an unprovocative manner, despite the obstruction to which it has been subject.

The three allied powers with special responsibilities in Berlin have naturally been in the closest consultation with the Federal Republic of Germany on practical measures to be taken, but NATO has been kept fully informed throughout.

Mr. Diefenbaker: It is strange that the Prime Minister did not know anything about this yesterday.

Mr. Lewis: Can the Secretary of State for External Affairs inform the house of the situation as it is now, and what steps are being taken to ensure—if it is possible to ensure—that the situation does not reach a more dangerous point. I can fully understand the desire of West Germany to have this meeting in west Berlin, but what steps are being taken to avoid a dangerous escalation?

Mr. Sharp: The most recent reports indicate that the election is taking place and that, as we foresaw, communist harassment has not approached the levels reached on several previous occasions, for instance in 1965.

HEALTH AND WELFARE

MEDICARE—INCLUSION OF OPTOMETRIC AND CHIROPRACTIC SERVICES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In those provinces that have an established medicare plan meeting the criteria laid down by the federal medicare program, and that includes paramedical services such as those offered by chiropractors and optometrists, will federal medicare include those services?

Hon. John C. Munro (Minister of National Health and Welfare): As I have indicated earlier, such services in the paramedical field to which the hon. member referred would not be included at this time under the federal scheme because there is no consensus among the provinces, which would be required in such a case.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. Would the minister mind defining, in Canadian terms, the word "consensus"?

Mr. Rynard: I have a supplementary question. Has the federal government any further plans that will include paramedical services to relieve the extreme pressure on the medical profession?

Mr. Speaker: I suggest to the hon. member that the supplementary question is too general in nature. Perhaps it is the kind of information that ought to be given on motions.

MEDICARE—PARTICIPATION BY ONTARIO IN NATIONAL PROGRAM

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I have a supplementary question. I should like to ask the Minister of National Health and Welfare when he will meet with the Ontario Minister of Health to discuss Ontario's entry into the national medical program, and whether the federal minister will allow the Ontario government to charge deterrent fees for insured medical services subsidized by federal moneys?

Hon. John C. Munro (Minister of National Health and Welfare): To answer the last part of the question first, deterrent fees I hope are not a course that Ontario would take,—in any event I rather doubt it, should Ontario come in. So far as meeting with the provincial health minister is concerned, I think I will be meeting him in the next few days.

GRAIN

WHEAT—REQUEST FOR STATEMENT ON ACREAGE

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to direct a question to the Minister of Agriculture and ask him whether he intends to make a statement on motions at an early date regarding wheat acreage for the next year. I ask this question particularly because of the difficult situation of the wheat farmers this year, and the comments made by the task force which considered this subject.

Hon. H. A. Olson (Minister of Agriculture): The comments made by the task force with respect to the wheat and oil seeds economy in their fourth paper must be taken for what these papers are, that is, position papers that have been prepared for use by the delegates at the National Agriculture Congress, which will be held starting on March 24. They are not government policy and they were not prepared by the Department of Agriculture, but I think they will be very useful as a basis for discussion, in two ways: First of all to analyse problems—

Mr. Stanfield: May I rise on a point of order, Mr. Speaker. I have no right to insist on the Minister of Agriculture answering my question, but I do not think he should be permitted to answer a question I did not ask. I asked the minister whether on motions, at a suitable occasion in the near future, he would make a statement with regard to wheat acreage in the coming year.

Mr. Olson: This is something that we are considering all the time, but whether or not the Department of Agriculture can accurately predict what the market for grain will be after this harvest is a question that I do not think I am sufficiently courageous to undertake to answer now.

Mr. J. H. Horner (Crowfoot): I have a supplementary question, Mr. Speaker. Does the Minister of Agriculture not consider it is his job to provide leadership and guidance with regard to wheat problems, in view of the difficult wheat marketing problems that the farmers are confronted with these days?

Mr. Speaker: Order, please.

[*Later:*]

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask a supplementary question of the Minister of Agriculture. Does the minister agree with

the contention that Canadian wheat sales cannot be expanded and that therefore we must accept a reduction of wheat acreage?

Mr. Speaker: Order, please.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Consumer and Corporate Affairs and it regards the creation of a Canadian securities commission. Will the minister advise the house of the fundamental difference of opinion between himself and the provincial authorities over the structural organization of such a body, and whether it shall be a federal organism located in Ottawa or a joint body in which all the provinces and the federal government shall participate?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not aware of the fundamental differences to which the hon. member is referring in his question.

EXTERNAL AFFAIRS

BIAFRA—PROTESTS AGAINST SALE OF ARMS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that the Prime Minister said in the house yesterday that he has made verbal representations to the British government asking them not to ship arms to Nigeria, is the Canadian government now ready to follow up these verbal representations with an official and public communiqué asking the British government not to ship arms to Nigeria?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I know of nothing more public or more formal than statements by the Prime Minister of Canada in this house.

Mr. Nystrom: A supplementary question. Is the minister able to make public the contents of these verbal representations that have been made by the Prime Minister to the British government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made these statements, which are in *Hansard,* and I made them as explicitly as I could. If hon. members did their homework they would find that on November 12 I repeated the government's position on the supply of arms to either side in this conflict. On January 20 I reported to the house what I had told the British Prime Minister and the Foreign and Commonwealth secretaries when I was in London a few days earlier.

[Mr. Gleave.]

BIAFRA—BOMBING OF CIVILIANS AND RED CROSS OUTPOSTS

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. My colleague the hon. member for Yorkton-Melville addressed another question to the Prime Minister relating to the situation in Biafra and inquiring whether Canada would join the British government in protesting or inquiring into the bombing of civilian targets within Biafra. The Prime Minister replied that he had discussed this matter with the minister and that he was sure he would be in a position the next day to say whether any action had been taken.

May I now ask the minister whether any action has been taken or will be taken in this matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, last week we expressed to the authorities at the senior level in Lagos our concern at the continuing reports of bombings involving non-military targets in the rebel area. I have been assured that General Gowon has had our views brought to his attention.

CANADIAN BROADCASTING CORPORATION

"FESTIVAL"—ALLEGED DEGRADING PERFORMANCES, "NEIGHBORS" AND "THE BASEMENT"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question for the Minister of Justice. Some weeks ago I asked the Minister of Justice whether or not he would take up with the law officers of the Crown the question whether certain plays that were shown on the C.B.C. came within the provisions of the law respecting obscenity. Has he discussed the matter with the Secretary of State since the latter's return from one of his peripatetic pilgrimages and, if so, would he let the house know what is going to be done?

Furthermore is the minister now in a position to advise whether, if a private member

introduces amendments to the obscenity sections of the Code so as to put teeth in the law, such a bill would be presented to the committee that is now sitting in connection with the criminal law?

Mr. Nielsen: That is an omnibus question.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I must say to the right hon. gentleman that he stays up late watching television and I do not follow all the programs, as he does. However, as a result of his question I did ask the officers of the department to review the present state of the law on obscenity, which I suggested to him at that stage was somewhat confused. As for the responsibility of the Secretary of State, when I get some clarification from the law officers I will take the matter up with him.

As for the present omnibus bill, I do not contemplate adding to it before the committee; but to use the right hon. gentleman's own terms, if there is need for clarification of the law on obscenity I will consider subsequent legislation at that time.

Mr. Diefenbaker: A supplementary question. Over 200 Canadians have written complaining, regarding programs on the C.B.C., and no doubt the minister too has received complaints. Does it take more than two months to get information from the law officers on a simple question such as this, namely whether two specific plays contravened the obscenity section in the opinion of the law officers?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, may I say to the right hon. gentleman that the definition of obscenity is a fairly subjective one and he and I might not agree on that subject.

Mr. Diefenbaker: I am asking for the opinion of the law officers of the Crown.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I am asking a supplementary question. I was not asking for the minister's opinion or giving mine; I was asking for the law officers' opinion. Has the minister consulted them?

Mr. Speaker: Order, please.

Mr. Diefenbaker: You haven't. That is all I wanted to know.

Inquiries of the Ministry

OBSCENE MATERIAL

NUDE MALE AND FEMALE PHOTOGRAPHS ON RECORDING JACKET

Mr. Lloyd R. Crouse (South Shore): A supplementary question for the Minister of Justice. Has the attention of the minister been drawn to the fact that foreign made pornographic material in the form of a cover for an "Apple" record shows two full length nudes and is being sold in Canada, specifically in Ottawa; and is such distribution—

Some hon. Members: Where?

Mr. Crouse: —is such distribution in keeping with the Prime Minister's view of a just society, or is it to become a completely permissive society?

Mr. Speaker: Order, please.

Mr. Crouse: Mr. Speaker, since the Minister of Justice does not wish to answer, I direct my question to the Minister of National Revenue. Will the Minister of National Revenue himself or in co-operation with the Postmaster General take immediate steps to ban the distribution of "Apple" records in Canada which display this particular pornographic cover?

An hon. Member: What are they, Northern Spies?

Some hon. Members: Oh, oh.

Mr. Crouse: Mr. Speaker, on a point of order, hon. gentlemen opposite find this subject very amusing. I should like—

Mr. Speaker: Order, please. I would ask the hon. member to state his point of order in the first instance, and then I shall try to rule on it.

Mr. Crouse: Mr. Speaker, the pictures alone are not only obscene and objectionable, but the wording on this particular piece of pornographic literature reads: "When two great saints meet it is a humbling experience". I suggest it is also anti-Christian. Hon. members of the government are applauding this type of material.

Some hon. Members: Shame.

Mr. Speaker: Perhaps the hon. member has an argument here, but I would not think that he has a proper point of order.

Inquiries of the Ministry

GRAIN

REQUEST FOR EARLY SHIPMENTS TO AVOID POSSIBLE FLOODING

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, my question is to the Minister of Agriculture. In view of the flooding predictions in Manitoba, is any action being considered to help farmers in the Red River valley with early movements of grain, unharvested crops and stored grain?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have been advised that there is a very high potential risk of flooding in Manitoba when spring arrives and the heavy snowfall there begins to melt. I can assure the hon. member that we will do whatever we can to be helpful if that situation does in fact arise.

[*Translation*]

VIOLENT DISTURBANCES

MEASURES LIKELY TO CONTROL REVOLUTIONARY ACTIVITIES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to ask the Minister of Justice a question.

Does he know about the statement made yesterday by the Montreal police director who said that when a man was arrested in connection with bombing incidents, papers and revolutionary Communist pamphlets were found, notably the pocket books of quotations from Mao Tse-Tung, Che Guevara and others?

Does he intend to investigate in order to find out the extent of Communist infiltration in Canada and what measures does he consider to control and eliminate revolutionary activities here?

Hon. John N. Turner (Minister of Justice): In the first place, Mr. Speaker, I must obtain more specific information from the director of the Montreal police, then, I will discuss the matter with my colleague, the Solicitor General.

Mr. Valade: Can the minister answer the second part of the question?

[*English*]

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. I wonder whether the Minister of Justice will check with the library and the Prime Minister at the same time?

[Mr. Speaker.]

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to put a supplementary question.

I would like to ask the minister if he is ready to answer the second part of the question, to wit, whether he intends to launch an inquiry, in order to determine the extent of Communist infiltration in Canada?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I cannot answer without having previously obtained further information.

[*English*]

HEALTH AND WELFARE

MEDICARE—ALLEGED LOSS LEADER BASIS OFFERED BY PRIVATE COMPANIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In negotiations the federal government may have with the government of Ontario concerning the entry of that province into medicare, will the federal government stand by the criteria in the act and, in particular, will it oppose the right of private insurance companies to carry medical care insurance on a loss leader basis?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there is no question about maintaining the criteria under the act. It is the law of the land and we will maintain that law. On the subject of Ontario and the question of private insurance companies, as the hon. member is aware insurance companies are participating in providing coverage, subject to public audit and all other requirements, on a non-profit basis in British Columbia. They have been permitted to do this because such action falls within the purview of the act. Conceivably, Ontario could adopt the same legal position.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. So far as the insurance companies are concerned, will the minister make sure that handling medicare is not just a loss leader proposition?

SARDIS, B.C.—OPERATION OF COQUALEETZA HOSPITAL AS TUBERCULOSIS SANATORIUM

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I wish to direct my question to the Minister of National Health and Welfare. In view of the fact that the employees of the

Coqualeetza Hospital in Sardis, British Columbia, have been notified the hospital will cease to be operated as a tuberculosis sanatorium, will the minister please inform the house as to the future of this fine institution?

Mr. Speaker: I suggest to the hon. member that this question might well be discussed at the time of adjournment.

EXTERNAL AFFAIRS

POSSIBILITY OF VISIT TO CANADA OF PRESIDENT NIXON—OIL DISCUSSIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Prime Minister. In view of certain difficulties arising between Canada and the United States in the petroleum industry and other industries, will he consider inviting President Nixon to come to Canada in order to negotiate with him on some of these problems and possibly to have the President address a joint assembly of the House of Commons and the Senate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I expect we will be discussing the problems of oil in my forthcoming meeting with the President of the United States. If the need for an invitation such as that proposed by the hon. member appears necessary, I will certainly extend it.

Mr. Woolliams: A supplementary question, Mr. Speaker. As a matter of courtesy and good public relations between our two countries, is the Prime Minister prepared to extend an invitation to Mr. Nixon to come to Canada?

An hon. Member: Common courtesy demands it.

MAINLAND CHINA—DISCUSSIONS WITH U.S.S.R. ABOUT RECOGNITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Is he now prepared to answer the question to which the Prime Minister said the other day he would ask him to reply? My question was whether Canada had discussed the recognizing of Red China with the Soviet Union, among other countries. That matter has now become extremely urgent because of the tense relations between China and Russia. Has Canada discussed this question with the Soviet Union, among other countries? If it has, what was the reaction?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Soviet Union was informed, as many other countries were, of our intention to have discussions with the Peking regime. But there was no reaction other than to thank us for the information.

REQUEST FOR TABLING OF LETTERS EXCHANGED BETWEEN QUEBEC AND FRANCE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will the minister table copies of the letters exchanged between Jean-Guy Cardinal of Quebec and M. Debré, the foreign minister of France, as these letters have now been released by the government of Quebec?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I informed the house previously, I did not think it was appropriate for us to table letters that had been signed by the province of Quebec and the government of France. But now that they have been made public I will obtain copies and have them tabled here.

Mr. Fairweather: A supplementary question, Mr. Speaker. In view of the statement contained in one of the letters that the two letters would constitute an agreement between the two governments, is it still the position of the government of Canada, as stated by the minister on January 31, that this exchange of letters does not, in fact, constitute an agreement? Or is this a semantic battle?

Mr. Sharp: No; I entirely agree with what the hon. gentleman has said. I repeat the statement I made before. In order for such exchanges to take on international status engaging both Canada and France, the approval of the French and Canadian governments would be required. Such approval could be given either under the accord cadre, the umbrella cultural agreement of 1965, or in virtue of a separate exchange of notes between France and Canada. Since in this case there was no consultation whatsoever between the French and Canadian governments, neither of these conditions was met.

Inquiries of the Ministry

AGRICULTURE

REPRESENTATIVE FROM PRAIRIES ON DAIRY COMMISSION

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is for the Minister of Agriculture. In view of recent public statements by the Manitoba dairy council that present dairy policy is militating against the dairy industry on the prairies, will the minister consider the request that at least one permanent member of the Canadian Dairy Commission should be a representative of the prairie provinces?

Mr. Horner: Hear, hear.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not agree with the hon. member's contention that the policies and activities of the Canadian Dairy Commission militate against the interests of the dairy industry. Therefore the other part of the question does not apply.

Mr. Schreyer: A supplementary question, Mr. Speaker. Even if one accepts the minister's contention and ignores the preamble to his remarks, I still wish to know whether the government will consider appointing someone from the prairie region to the Canadian Dairy Commission.

Mr. Olson: Mr. Speaker, that may be one consideration. An even more important consideration is the competence of those appointed to do a good job for the dairy industry all across Canada.

INDIAN AFFAIRS

THE PAS, MAN.—ADMINISTRATION OF HEALTH SERVICES

Mr. Robert Simpson (Churchill): Mr. Speaker, yesterday I directed a two-part question to the Minister of National Health and Welfare. His parliamentary secretary took it as notice. Is the minister now prepared to answer my question?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. I have been in touch personally with the person the hon. member referred to and I think in a day or two a decision may be rendered with respect to the matter he is concerned about.

TRANSPORT

HALIFAX, N.S.—DANGER FROM PREPARATION OF CONTAINER FACILITIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. Will residents, industrial concerns and members of the fishing community on the eastern side of Halifax harbour be in any danger from dredging or filling operations carried out in connection with completing container facilities in Halifax?

[Mr. Sharp.]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I will be glad to make the necessary inquiries.

CANADIAN FILM DEVELOPMENT CORPORATION

APPOINTMENT OF MR. SPENCER AS DIRECTOR GENERAL

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. In view of recent criticisms of the Cinematographers Association of Canada with respect to the inadequacies of the Canadian Film Development Corporation, was that organization consulted before the recent promotion of Mr. Spencer, the acting secretary, to the permanent position of director general of the C.F.D.C.?

Mr. Speaker: Order, please. I think at least one question might be placed on the order paper, and perhaps this is the question.

SCIENCE SERVICES

MINISTERIAL RESPONSIBILITY FOR POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Prime Minister. In view of the speech made by the chairman of the Science Council, Dr. Solandt, over the week end in which a statement was made to the effect that the government ought to appoint a minister who would be responsible for science policy, may I ask whether the government has considered making such an appointment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, many months ago I told members of parliament in the house that there is a minister responsible for science policy. He is the President of the Treasury Board. I indicated that there will be certain changes in the area of science policy. Some were announced in the government reorganization bill. We have created the Science Council and the secretariat, and there will be more changes in the future.

Mr. Orlikow: A supplementary question, Mr. Speaker. Would the Prime Minister consider making a full statement on science matters when we discuss the Science Council under the government reorganization bill?

FINANCE

APPLICATION OF TAX TO "TIME" MAGAZINE

Mr. Steven E. Paproski (Edmonton Centre): Thank you for your recognition, Mr. Speaker. I would like to direct this question to the Minister of Finance. In its search for funds, is the government at present considering the removal of the exemption from the magazine tax now enjoyed by an extension of the state department of the United States, *Time* magazine?

Mr. Speaker: The hon. member is asking for a policy statement. I suggest the question cannot be answered at this time. If the hon. member thinks there is urgency he might like to have it discussed at the time of adjournment.

Mr. Paproski: A supplementary question, Mr. Speaker. Cannot the minister take action to eliminate this Canadian subsidy for United States propaganda?

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

COMMITTEE CONSIDERATION OF APPROPRIATION ACT NO. 1, 1969

The house resumed from Tuesday March 4, consideration in committee of Bill C-177, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1969—Mr. Drury—Mr. Faulkner in the chair.

The Chairman: Order. When the committee rose on Tuesday, March 4, clause 2 of the bill was under discussion.

On clause 2—*$222,254,283 granted for 1968-69.*

Mr. Bigg: Mr. Chairman, last night at ten o'clock I was mentioning some of the problems facing the Canadian government in trying to solve the vast housing problem. I suggested that lack of purchasing power in the hands of the average Canadian citizen was probably the prime cause of the lack of housing starts. That, of course, is an oversimplification of the whole problem. I hope the efforts of all three levels of government will be directed to improving that particular phase of Canadian housing.

When the National Housing Act was instituted as an emergency measure it was a good measure, but I think it is long overdue

for an overhaul. It has been abused. To a certain extent the National Housing Act has been responsible for the escalating costs of housing, the rush for land and the vastly increased price of city lots. A great deal of the money available for housing has been channelled into high-rise apartments. Approximately 150,000 accommodation units are being produced. In my opinion this is not housing at its best, but it is better than none. It is not the best answer to the housing problem facing the Canadian people.

It will be a sad day for Canada if we have to live like bees in a hive of 20 or 30 storeys all jammed together without sunlight and proper playgrounds for our children, provided children have not been eliminated by that time. This is the beehive attitude to life. If everyone lives in the cities there will be no place for children. Even to have children will be almost anti-social. It would be almost cruel to raise children in a square concrete tub with an area of a few hundred feet.

Most Canadians agree that the healthiest and happiest place to raise a family is in a home with easy access to plenty of fresh air and surrounded by a lawn and a garden where pets and friends can be enjoyed. Urban development can be carried too far. I am among those who would like to turn back the pages of time to when nature was fully appreciated and people did not live in concrete tanks and get their amusement from television stations. Governments are wrong to allow vast sums of money to be made available to hasten such urbanization.

One or two sensible steps could be taken to reverse this trend to the betterment of people's health, both physical and mental. The Canadian economy cannot be supported indefinitely with all the people living in cities. I believe we have to plan for the future of Canada with a solid economy based in part on agriculture and on the preservation of our forests and on such far-sighted and forward-looking programs as ARDA. We must not only look after the forests we now have but we must have a very large, national reforestation, conservation and beautification program.

• (3:20 p.m.)

I suggest that the government make an early start on a national transportation and land use plan to decentralize not only our industries but our whole way of life. I suggest that in building homes for the elderly, for example, high-rise apartments are not the

answer. Such homes should be built in small towns or in satellite towns around large cities. People will not be able to afford accommodation in high-rise apartments even with reasonable retirement plans. Unless I am mistaken, if the trend to the cities continues the average family will not be able to afford the rents in high-rise apartments. As soon as decent rental accommodation is no longer available on the ground level they will be at the mercy of people who own high-rise complexes, and perhaps a good third, if not half of a person's take-home pay will be required for rent.

The idea of providing large sums of money under the National Housing Act to corporations for business investments in housing is questionable. It is channelling money into large corporations when what we should be trying to do is stabilize the economy of each and every home. Perhaps the whole idea behind the National Housing Act should be completely changed. We may need departments of housing at both the federal and provincial levels. The job is such a big one that this will be necessary. The Minister of Transport knows that his responsibility for housing has diverted his attention from his transport duties, and even he would be the first to admit that he has not had the time to devote to housing that he would wish.

There is a serious backlog in housing requirements for our native peoples and for our low income groups. Even those earning up to $10,000 a year are having difficulty finding adequate housing accommodation. We need a government department and a full-time, capable minister to give attention to this matter. We need full co-operation between the two senior levels of government. We had such co-operation when we built the trans-Canada highway. The result was a wonderful road system. We can have the same result with housing. We must be ready to scrap old ideas and take advantage of the groundwork which has already been done.

A certain amount of talk in this debate has been negative. I hope I am not striking a negative note when I say that everything that should have been done has not been done. I do not think this was because of lack of interest on the part of those involved. Rather, it is a question of timing. We are late in our timing. This effort is 20 years overdue. The problem is here to stay and I venture to say we will not solve it in a matter of months or years—

[Mr. Bigg.]

The Chairman: I am sorry to interrupt the hon. member but his time has expired unless there is agreement of the committee for him to continue.

Some hon. Members: Carry on.

Mr. Bigg: I would like to see this bill pass. I would like to see the task force continue its work at an increased pace with full co-operation among all three levels of government. I would like to see everybody consulted. The people who have been consulted the least are those who should be consulted the most. I am not talking about the people in the building trade who may be in it for profit, or of the people at the two levels of government in charge of administration. I would like to hear from the people who have to pay the mortgages. I would like to hear from young married couples. Let us get groups of 15 or more together and let them tell us the kind of housing they want and the kind of financing which they think they can afford. I would hope that in turn we could tell them they will not have to bear a burden of debt at 10 per cent, 12 per cent or 14 per cent interest for 40 years. I hope we can tell them that they will be able to pass their homes on to their children without the kind of burden that many of us would have to pass on if we were to hand over our homes now.

Mrs. MacInnis: Mr. Chairman, when the task force on housing was appointed there was a great deal of hope throughout the country that it would be able to unearth new material and come up with some kind of co-ordinated policy which would meet the worst housing problems. That was the general public reaction. On the other hand, a number of people felt strongly that the subject of housing had been researched at length and that, with a big conference to be attended by 500 delegates from all across Canada due to take place about a month after the establishment of the task force, the task force itself would not unearth any new material and would scatter its shots across the country without arriving at a coherent result. However, I think we were all prepared to give the task force a chance.

I believe I am stating the opinion of housing people from one end of Canada to the other, and of large sections of the public, when I say that the task force's report has been a deep and bitter disappointment. I do not mean that there are no good things in it. There are many good suggestions, but they do not add up to a housing policy which can

meet the needs confronting us today. I do not think one is doing a service by saying that the housing report is full of excellent ideas if at the same time one does not point out that it contains no vital policy. It is like a magpie that has piled up a lot of beautiful glass pebles and other bright shiny things but does not know how to make a nest out of them.

No more devastating commentary on the housing report has been issued than the one that came to hand this morning from Professor Michael Wheeler of the Canadian Welfare Council, the body in charge of carrying on the follow-up of the Canadian conference on housing held last fall. As one of the 500 delegates who attended that conference it was with particular interest that I received today the correspondence sent out by the Welfare Council. It starts by pointing out that the task force report has the merit of having opened up questions of housing policy for nationwide debate. The council says that the task force has had the courage to raise such fundamental issues as public ownership, development of land, the need for regional forms of government, allocation of adequate revenue to local government, and the possibility of supplementing incomes as an alternative to subsidizing dwellings. From there on, having given the task force that commendation, the rest of this memorandum is a damning indictment of the task force report.

• (3:30 p.m.)

I should like to point out the grounds for their indictment because if we do not find wherein the task force has fallen short or why it is going in the wrong direction, we will not be able to deal intelligently with legislation to put housing on the right track in Canada. First of all, in its objectives for housing the Canadian conference on housing clearly stated what it believes to be the first concern of a public housing policy. I heard these words spoken in Toronto with great vehemence by a number of people: So long as government allocations for housing are insufficient, priority within its budgets should go to helping those with the greatest need. This is exactly the opposite of what the task force report recommends. The effect of the report is to let things muddle along the way they have done so that every factor in housing is loaded to help those people who can best help themselves, the people at the upper end of the income scale.

In order for parliament to meet the requirements of the people with the greatest need we would have to have 20,000 or 30,000 low income dwellings per year which would require an investment of $300 million of public funds, or about two or three times as much money as the best we have been able to achieve in any one year so far. I am not blaming the minister because I thought and I said from the first that we have no business saddling a minister with the two portfolios of transport and housing. He cannot do adequate justice to housing and I would be extremely surprised if he were to do an adequate job in respect of transport either. From the comments heard this afternoon this would appear to be the opinion of at least some hon. members. As an example of how far out the minister is in his knowledge of what is required I should like to mention that in December, 1967, the minister who was then responsible for housing declared:

> Not only the proportion but the level of commitments in these areas of greatest public need, public housing and projects of that kind, will increase... they will probably exceed $500 million for the year 1968.

The amount actually invested by the federal government in public housing in 1968 was about $116 million compared with the rosy forecast of $500 million which was made at the end of 1967. We must go much beyond this. The minister said that we would have to have $20 billion to meet the minimum target of one million dwellings over the next five years, but nowhere in the task force report is there any mention of a policy for raising that amount of money. The minister has said that so much could come from hither, so much could come from yonder and so much could come from some place else, but no place in the report is there a clear unequivocal policy which says that the minister responsible for housing proposes that pension funds, trust companies, banks and other lending institutions will be directed to invest a certain percentage of their lending portfolio in housing loans. That is the way we understand a policy. A mere suggestion is of no value whatever.

The minister is not always this vague. Last August when the minister was thinking about the work that should be done at Toronto and Montreal airports to get ready for the jumbo jets he was pretty clear. He said that between $200 million and $300 million would be required at both Montreal and Toronto airports for the necessary work to get ready for the jumbo jets. The difference between that situation and the situation in respect of the $20 billion required for housing is that we know from past experience in this house that

when money is required for such things as jumbo jets it will be acquired, without question, in the name of progress, science and advancement. We do know that unless there is some proposal far beyond what is contained in the task force report there will not be any sizeable fraction of that $20 billion provided. So far there is no indication that legislation will be forthcoming to provide ways and means for that $20 billion to become a reality.

In addition to failing on these scores the task force has failed absolutely to measure up to the problem in respect of public housing. Although obviously disturbed about the socially sterile environment of some projects, the task force saw fit not to recommend federal assistance to support social and recreational facilities. It is all very well to attack public housing for having fallen short and to say that it is built in such a way as to stigmatize and cut off people, but it is another thing to fail to recommend that better public housing should be built. What does the task force do? It runs away from the whole problem of building decent public housing which the low income group must have. It says it is going to put public housing in the deep freeze until more studies have been carried out in order to find ways and means of not stigmatizing people.

The reason people are being stigmatized in respect of public housing is not hard to see. The minister's predecessor, Mr. Nicholson, when he was here said that the stigma ought to be removed from public housing, but he did not suggest that the way to remove the stigma was to stop building public housing. He said the way to remove the stigma from public housing was to build public housing for more kinds of people so that it could be pieced into the structure and fabric of the surrounding community and so that people would not be earmarked and stigmatized because they lived in a public housing project but would be a part of the whole community. More and more housing people recognize this. The minister was told this when he was travelling around.

It has been suggested that a look should be taken at whole districts in order to see what existing private homes are already there which could be repaired and brought up to date. If there were proper government financing so that people could afford to bring existing private houses up to date, I believe public housing projects of a smaller and more suitable kind could be introduced without the residents being stigmatized. The hon. Mr. Nicholson, who is now Lieutenant Governor of the province of British Columbia, is living in public housing right now. As the Lieutenant Governor of the province he lives in a publicly-owned mansion in Victoria. I have not heard anyone complain that he is being stigmatized by living in public housing accommodation. As a matter of fact, if that is a stigma there are a great many people who would like to share it with him.

[Mrs. MacInnis (Vancouver-Kingsway).]

• (3:40 p.m.)

Let me tell the minister that the task force is letting the city of Vancouver down badly. We have two urban renewal projects now which are ready to go if only they can get the consent of senior governments. The government at Victoria will not give its consent until the government here in Ottawa does. The city of Vancouver had this to say in a brief presented to the task force:

> The city of Vancouver is extremely concerned at any suggestion that the federal government withdraw or in any way limit its involvement in urban renewal schemes. On the contrary, it is the city's view that such involvement must be increased.

I wish you would listen today, Mr. Minister, because the city of Vancouver has been trying to catch your ear for a long time. Perhaps I can help them if you will turn your ear this way instead of the other way. The brief went on to state:

> —the city feels very strongly that public housing, as presently contemplated, is one way of accommodating those people who are economically unable to provide for their housing needs.

Let me tell the minister that public housing of the best kind we can make available is the only way we can meet the needs of the one-third of our population in the lowest income bracket. This can be done by co-operative or non-profit social housing projects. Developing public housing co-operatives and non-profit housing developments is the only way to meet the needs of this low income third of our population. The minister said he went into this matter, as did the commission, without a preconceived notion. The whole task force went into this matter with one very big preconceived notion. I refer to the notion that everyone in Canada would love to own a home and that we can offer home ownership to everyone in Canada. The minister shakes his head but the fact is there, implicit in the report.

Mr. Hellyer: Most certainly not.

Mrs. MacInnis: A lot of sole support women with families are desperately waiting for accommodation. I know of a single woman with two girls who lives in two rooms behind a bakery on Victoria Drive in my riding. She is desperately waiting to get decent public housing in which this family will have more than just enough room to exist. There is nothing for her in this report.

It is all well and good to tell women who exist on social assistance that we believe everyone in Canada has a right to own a home, but that is just as cruel as telling them to look up at the rosy sunset because there they will find a castle in Spain. There is little use in saying that everybody should have a castle in Spain. What we have to do is come down to the place people live and meet them on the ground.

On December 18 Vancouver delegates who had been at the conference on housing, people representing all political parties, social workers, people from the city hall, organizations in the provincial government and the local governments, got together and this is what they said:

Provision of public housing with rent geared to income is one important means of meeting the housing needs of those in lower income brackets. The present stigma attached to public housing is created by several factors—all remedial.

They also said:

1. There is so little public housing that it is suspect, as anything new and strange is suspect.

What does the minister do in face of that situation? He simply clamps down on any further public housing by putting it into the deep freeze, actually accentuating the present shortage. He refuses to go ahead with more public housing. The brief then states:

2. Because there are so few units, only those of very low income can be housed—the result is economic segregation.

That is what Mr. Nicholson complained of. He suggested that if other people as well as those on poverty incomes were given an opportunity to obtain public housing you would improve the position of the lowest income people and therefore get rid of the stigma. This is what our British Columbia delegates are pleading for in this brief which goes on to state:

3. Housing projects are too large and not integrated into the community.

I met a woman in Vancouver just the other day who commented that the Raymur high-rise apartment was a terrible place in which to raise children. She suggested that it might be fine for elderly or single people with its high-rise elevators. She told me that she had been sitting in a private house not far from the Raymur watching two little children playing on the balcony on the tenth floor. She said she finally reached the stage of being so nervous for fear they might fall that she could not watch them any longer. By this example I do not suggest that we should not have more public housing projects of this larger type, but for families we need a more scattered type. Three storeys are a lot lower than 12 or 15.

Another tenant living in public housing told me that the tenants were offered the chance to purchase the apartments in which they lived. She said that very few of the people in the high-rise Raymur project wanted to do so. She was living in Little Mountain. She said that if the people there were given the opportunity to purchase their row housing units a great many would be interested. In such areas they have green grass and yards for children to play in with safety.

The fourth statement in this brief in reference to public housing is:

4. They are often located in undesirable residential areas.

The Skeena Terrace project is a good example. On three sides it is surrounded by arterial highways and there is no place for children to play and there are no shopping facilities within reasonable distance. People have to take a bus to go shopping or for any other purpose, even to go to church. We have made mistakes in the past, but that is all the more reason to get busy on public housing now and remedy the mistakes we have made. The brief to which I have referred goes on to suggest:

5. Necessary facilities, such as recreation areas, are not provided.

Let me read one letter I received from a tenant who lives in Orchard Park in my riding. This tenant is one of the officials of the tenants' or residents' association. He said:

Orchard Park is a low rent housing project.

The Chairman: Order, please. I am sorry to interrupt the hon. member but her time has expired.

Mrs. MacInnis: Could I have two minutes?

The Chairman: Does the hon. member have unanimous consent of the committee?

Some hon. Members: Agreed.

Mrs. MacInnis: This individual says he has been trying very hard to get recreational facilities for that project. He says that in the absence of these facilities, "our children can swing from the rafters, our elderly can sit on the floor and play cards and the teenagers can go up on the roof and play tag, all in this affluent society." He comments:

I guess we are just a bunch of monkeys anyway. Do you wonder why people become bitter, discouraged and demoralized?

In closing I want to say to the minister that he should commence his housing policy with the realistic approach laid down by the Canadian conference on housing. We must base our housing policy in Canada on the cornerstone of greatest need, the need of those people in the low income brackets. We must eliminate the gaps in housing. We must begin housing projects to rehabilitate existing units. We must develop the fabric of the community. I believe that if we do these things we can develop a housing policy which will bring credit to Canada.

• (3:50 p.m.)

Mr. Hellyer: Mr. Chairman, I would like to spend more time replying to the questions raised by hon. members, but unfortunately I must leave in a few minutes to catch a plane for Toronto. But in the next four or five minutes I would like to answer first the question raised by the hon. member for Halifax-East Hants and then say a word or two about public housing. The hon. member asked, in respect of each of the votes, where we now stood with regard to the amounts outstanding under the law, and what we anticipated would happen during the course of the months ahead.

I do not have the vote numbers here but I shall deal with these matters seriatim. In respect of the first one, section 22(1) of the National Housing Act, 1954, the statutory authorization is $4,600 million; commitments approved March, 1954, to December, 1967, $3,873.2 million; estimated commitments for the calendar year 1968, $495.8 million; estimated requirements for the calendar year 1969, $585 million; estimated requirements January 1 to March 31, 1970, $246 million; additional commitment authority required, $600 million.

Second, section 36C(2) of the National Housing Act, 1954: Statutory authorization, $350 million; commitments approved 1961 to December 1967, $234.3 million; estimated commitments calendar year 1968, $89.7 million; estimated requirements calendar year 1969, $100 million; estimated requirements January 1 to March 31, 1970, $51 million; total, $475 million. Additional commitment authority sought to section 36C(2) of the National Housing Act, 1954, $125 million.

[The Chairman.]

Third, section 13 of the National Housing Act, 1954: Statutory authorization $9,500 million; actual insurable loan commitments whether or not an insurance policy has been issued, for the period ending December 31, 1967, $8,330 million; estimated commitments for the calendar year 1968, $1,100 million; estimated commitments for the calendar year 1969, $1,100 million; estimated commitments January 1 to March 31, 1970, $470 million; additional authority requested, $1,500 million.

Fourth, section 26 of the National Housing Act, 1954: statutory authorization, $500 million; actual loan commitments for the period ending December 31, 1967, $455 million; estimated commitments for the calendar year 1968, $35 million; estimated commitments for the calendar year 1969, $45 million; estimated commitments for the period January 1 to March 31, 1967, $15 million; additional authority requested to section 26 of the National Housing Act, 1954, $50 million.

On Monday night when concluding my remarks I indicated that it was not just the task force that was concerned about public housing, and in particular the project aspect of public housing, but that it was a concern of, I would say, all thoughtful people, all people who have really studied the question in depth, or at least those who have recently become aware of the magnitude of the problem we are facing. As I listened to the end of the hon. lady's remarks I thought she was not too far from our thinking. Perhaps if she re-read the task force report she would find we are almost at one.

However, there is certainly a problem in respect of large projects. This problem will not be overcome by just building more big projects which would have the same psychological disadvantages. It has to be overcome by other means. I do not think that any amount of public housing we are likely to build in this country in the foreseeable future would be sufficient to change substantially the disadvantages which occur psychologically and sociologically in regard to what in many instances have become ghettos of the poor and places which are easily identified as being set apart in some way from the community at large. This fact was recognized in the booklet recently released by the Canadian

Welfare Council. In their little booklet entitled "Social Policies for Canada, Part I" recommendation 31 reads as follows:

Programs which avoid the stigma and invidious distinctions associated with traditional public housing projects should be an important feature of housing policy. In developing public policies for housing, consideration should be given to a number of possibilities including:

1. A general housing allowance, scaled to income, available to both owner-occupiers and tenants.

2. Increased assistance and technical consultative services to non-profit organizations, limited dividend corporations and co-operative housing schemes.

3. The extent to which the tax system might be used to assist housing.

Mrs. MacInnis: They criticized the report.

Mr. Hellyer: Yes, but they were completely inconsistent in criticizing the task force report, which in effect said exactly the same thing. They recognize this in their own booklet, and I suspect this is being done by others as well. I would again refer to the recent commission in the United States and quote just one or two more passages from their findings. They say:

Moreover, the larger the project, the greater are the problems of social behaviour. In these huge projects, it is difficult for the occupants to feel any real concern for the group as a whole or any fundamental loyalty to it. This in itself breeds a lack of responsibility and a yielding to anti-social impulses which may range all the way from a lack of care in maintaining a property to outright vandalism.

Later in the report they say:

In the future, local and state housing authorities with the encouragement and help of HUD should seek out more and more scattered sites where smaller public housing developments may be built.

Then later:

As suggested above, in these smaller units greater loyalty and sense of resopnsibility can be developed among the occupants and delinquent behaviour can be better controlled. Walk-ups will cost less per square foot—

Included in any such program should also be the purchase and rehabilitation of large numbers of single family homes and row houses, which are being abandoned by their owners in such places as Philadelphia, the Brownsville section of Brooklyn and the west side of Chicago.

This is not a conclusion which is in any sense unique to the members of the task force, who did not, as I indicated before, have preconceived notions about their task. Many of the members of the task force do not subscribe to the idea that every family should own its own single family dwelling. This is a misconception that has grown up. We were all concerned about some of the side effects of project housing. We said so. We feel this is correct. Looking at other evidence on this subject we find that many people in other parts of the world, and in Canada, have come to the same conclusion. As a consequence—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, before the minister leaves that point, could I ask him a question?

Mr. Hellyer: Certainly.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I take it the minister is saying that some of these large projects have psychological and sociological disadvantages, and he favours smaller projects. I ask two questions in this connection. Does the minister intend to proceed with smaller public housing projects? Do the projects which have been frozen in Ontario fall into the first category of being too large?

Mr. Hellyer: I think I can answer both questions in this way, Mr. Chairman. In the task force report we indicated that there were a number of alternatives. We said that the big projects should be frozen during the period of the review. We did not say this in respect of smaller projects. We said that no large public housing projects should go forward until such time as we had a chance to find out what we were doing. We did not say this with respect to the smaller projects.

We did not leave the matter in a vacuum. We made alternative suggestions so far as income supplements are concerned, the purchase of single housing, rehabilitation, greater emphasis on limited dividend housing and co-operative housing. There are a number of things that can be done in the meantime to meet the same need for most of the same people, but in a much more satisfactory manner. These alternatives should be explored.

• (4:00 p.m.)

In respect of the second question, I can tell the committee that we have reviewed all the outstanding submissions. We are right up to date in reviewing all the proposals which had been temporarily left for review following the task force report, and we have approved or submitted for approval all of the ones that would fit into these categories. In other words, the ones that would provide what I consider to be good family accommodation have been sent forward. Smaller projects, particularly those with individual street addresses, preferably where some private space is available and where there is proper access

to community facilities, will prove to be satisfactory.

In respect of public housing for senior citizens, of course slightly different criteria are used because high-rise buildings are not objected to and we did not find the same problem in respect of senior housing that we found in respect of family housing in larger buildings. So there is a sharp distinction there. Some of the problems are related to families living in high-rise apartments in any event, but these problems are aggravated in public housing high-rise apartments. So when we came to review senior citizens' public housing, the criteria that we looked for were slightly different.

Mrs. MacInnis: May I ask the minister a question? I presume that the two Vancouver schemes have been refused for the time being. What has been done? Has it been suggested that revisions be made or were they just refused? Has any study been given to the problem and have alternatives been suggested?

Mr. Hellyer: Without going into the details of each individual submission at this time, which I really cannot do but will be prepared to do on another occasion, I can say that where they do not qualify there are other alternatives for us to explore in the same community, different sites or limited dividend, or some other alternative. So, as I indicated the other day, no less housing will be built. We will ensure that just as many units are built, but they may be under a different program if we are satisfied that a different program will be more advantageous.

In conclusion I should like to say that we have reviewed all of the outstanding submissions in this area and we have sent forward all of the ones which we feel are good family accommodation. There are three or four that in the normal course have been sent back for changes which would make them more acceptable, such as changes in the layout or better street patterns where access was not satisfactory and you would have to carry a child several hundred yards from the nearest road in a storm. But for the most part they have gone forward, and in cases where the projects were too big or did not meet the criteria we will be looking for alternative methods.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What percentage of those chosen have gone forward? Is it half or three-quarters?

[Mr. Hellyer.]

Mr. Hellyer: In so far as the number of projects is concerned, almost all of them have gone forward because most of them qualify. In so far as the number of units is concerned, I cannot say how many have gone forward without checking, but I am sure my hon. friend will be pleased when he sees the detailed analysis of what we have done because I think it would meet the criteria which he approves in general or which in any event he would find difficult to criticize and which will permit the kind of housing we want to be built to go forward and, at the same time, will indicate to the various people involved what we should now do to make sure that there is an adequate flow in alternative programs to keep housing at a satisfactory level during the year.

Mr. McCleave: May I ask the minister a question before he leaves for Toronto? Most of the recommendations of the task force will have no relevance unless the minister can present legislation to us. I believe that in outlining the business of the house up to the end of the session the President of the Privy Council indicated an amendment to the National Housing Act. I hope he was in singular error and that he meant amendments, and I hope the minister will be bringing in a fairly comprehensive set of amendments some time before June. Perhaps the minister would like to comment on that.

Mr. Hellyer: It will be quite a package of amendments. There are a large number of technical and substantive amendments which will have to be made to the act to implement even the more urgent recommendations. That is all I can say about it now, but I would like to thank the members of the committee for their discussion and the contribution they have made. I am convinced we all have the same ends, that we only differ on the means, and that the more we study the matter the more we will find we are not as far apart as may have been indicated once or twice.

Mr. McCleave: Will the minister beat the June bride traffic with his amendments?

Mr. Hellyer: I hope I will before that.

Mr. Skoreyko: Mr. Chairman, I rise to participate in the debate today on a somewhat different matter having to do with the estimates of the Minister of Manpower and Immigration. First of all I would like to find out from the minister before the debate is over, if possible, why the government has overspent by $6 million. I realize that there

will be plenty of excuses. I realize also that the Czech refugees have cost the government some money. We also have the winter works program which has to be fully paid for. I suppose all these reasons will be given in the minister's arguments.

But there are odd situations that exist in my area, as I am sure they do in many parts of the country, particularly with regard to leases and rentals in regard to manpower offices. For example, in Edmonton the Department of Manpower has a rather expensive office facility in the Centennial building which was occupied on August 18, 1967. Only four blocks away, at 10213 107th street in the same city, there is another rather elaborate manpower office. My argument is that the office in which the manpower department was situated before the move in 1967 could have very easily been enlarged at much less cost than was involved in taking over space at the new address. If the minister wishes, he can argue that the staff has increased proportionately and so the move was required. I do not think that was the reason at all. I think the reason was that the Department of Manpower wanted to upgrade its facilities. As an example let me say that the hon. member for Edmonton Centre raised a question on the order paper on October 9 in which he asked the minister:

> For what reasons were the offices of the manpower centre removed from a public building built specifically as an employment centre which is housing, as well, the related offices of the Unemployment Insurance Commission?

The reply to that question was:

> Insufficient space available for both Unemployment Insurance Commission and Manpower in the Unemployment Insurance Commission building.

Yet when we ask the minister how many more people are now working in the manpower office than were there in 1967, the answer is two; there were 128 at that time and there are 130 now. I simply point out that the building which the government owns on 107th Street could have been enlarged and in this way the government would have saved considerable money.

• (4:10 p.m.)

I do not see the justification for two manpower offices within four blocks of each other. I made representations to two previous ministers of labour or manpower in regard to the department establishing an office in the northeastern section of the city where I am sure it would serve a much greater need than it does at its present site on 107th street. I asked the minister to consider locating an office in what was formerly the satellite town of Beverly for a number of reasons. The first was the general economics of the area. The second was its accessibility to Edmonton for a large segment of the population that is primarily concerned in getting to work. A third, though probably less important, factor is that rental costs in that area would not be one-third what is now being paid in the Wentworth building where I believe the department has a five-year lease. What possible advantage there is in moving the manpower office from 107th Street to the mezzanine floor of the Centennial building is beyond my comprehension.

I also suggest to the minister that it was a bad mistake to split the Department of Manpower office and the Unemployment Insurance office. I say that because those seeking benefits from the Unemployment Insurance office and those who are looking for work are in effect facing the same problem. If the minister had placed these two offices side by side or within a block of each other I would have no criticism, but at the moment the Unemployment Insurance office is situated about one mile from both manpower offices in the downtown area.

I should like to deal for a few moments with the operations of the Department of Immigration. I would remind the minister that not too long ago many grievances were aired in the committee on manpower and immigration. I am beginning to think that the Department of Immigration is a two-headed monster of some kind. Both heads are speaking at the same time and neither head knows what the other is saying.

I say this for a number of reasons. If I remember correctly, several members of the committee interrogated the officials of the department about the establishment of offices to serve some of the Iron Curtain countries. In particular they were questioned about establishing offices in Belgrade and in Warsaw. Some negotiations, it was suggested, were under way either through the manpower and immigration department or through the Department of External Affairs. I have taken considerable interest in the discussions in this committee for many years, but I have heard nothing further regarding the negotiations that were supposed to be taking place. Certainly I have not heard that they have advanced to any extent.

I have also been informed, not only by visitors but by people who have actually been

processed for immigration through the Geneva office, that the Geneva staffs are doing an excellent job but are overworked. The establishment of a facility in the two aforementioned cities would do a great deal to alleviate the problem in Geneva. I am not saying this situation is the minister's fault, but in view of some of the recent appointments that have been made this government does not seem concerned about security when it comes to establishing offices in certain centres. I brought this problem to the attention of the previous minister of citizenship and immigration some two years or more ago, and at that time he stated that some action would be taken.

Notwithstanding the assurances that were given at a recent committee meeting that the personnel in the Hong Kong office was adequate in number, was competent and had sufficient facilities available to process applications as they came in, I am now further advised that problems are being encountered.

I recommend to the minister at this point that some time during the next 12 months or during the next session the immigration committee members visit some of the immigration offices in Europe and elsewhere. I realize that we are trying to save money and to avoid deficit budgeting, and I realize I have been criticizing the department for overspending. Nevertheless, I feel that the members of the committee could perform a valuable service by assessing for themselves the services that are available so that they can decide whether or not to recommend to the minister either a reduction or an increase in certain staffs and facilities.

I receive letters almost weekly from people who have communicated with their relatives in Hong Kong and who are anxious that some action be taken by the department to alleviate the pressure on that office. I am not mis-stating the truth when I tell the minister, on the basis of word that I have received, that some applications in Hong Kong have taken as long as nine months to process. If this is the case, I suggest that a serious look at the facilities in Hong Kong is required.

I want to raise one other matter that I thought I had dealt with rather adequately in the committee. I have received numerous complaints from certain places in Canada, and to a lesser extent from the city of Edmonton in regard to the conduct of departmental officials toward new Canadians and

[Mr. Skoreyko.]

immigrants who visit the offices of the department. For example, when a recent immigrant to Canada, say an Italian, calls at one of the department's offices to inquire about an extension of a visitor's visa for a relative or a friend of his, some of the staff seem to treat such a person with contempt, as if he were breaking the law because he had dared ask one of the officials for some information. I have raised this question before and I am still receiving this kind of complaint. In some cases these people are either brushed aside or asked to bring with them someone who can speak English. In many cases information regarding matters of sponsorship and admissibility of applicants is hard to obtain. I hope the minister plans to make available to the department sufficient staff in order that certain members of our population may communicate adequately with the department. In an area like Edmonton which has seen in recent years an influx of many Italian immigrants, surely the department could employ an official who speaks Italian to deal with problems which may arise.

• (4:20 p.m.)

Another complaint which should be raised is that people who present themselves at the wicket, so to speak, must wait many hours before being attended to, even though they have appointments. Officials of the department sometimes do not seem to be held up by previous interviews, yet they keep these people waiting. It is important for the department to maintain good relations with the public, and I think the minister ought to examine some of these complaints.

I now wish to talk about the admission of students to Canada. We ought to examine their backgrounds, their purposes for coming here and their origins. Does the department check the backgrounds of students seeking entry? Do any criteria govern the admissibility of students? Is their political background checked, and their motive for entering the country? Are family backgrounds checked with a view to seeing whether students can assume financial responsibility for their stay in this country? If not, they ought to be. Often students, from African countries in particular, find themselves in financial difficulties in Canada. It seems that their families are unable to provide financial assistance, the result being that these students seek employment.

I need not remind the minister that a student without landed immigrant status who

seeks employment faces the penalty of deportation. I wonder whether it would not be wise for the department to determine if students seeking entry are suitable prospective immigrants. If they find themselves in financial difficulties, landed immigrant status could be extended to them and they could find employment here. They would not have to go back to their own countries and apply again for admission to this country with a view to becoming Canadian citizens ultimately. If the suitability of students in this regard were determined before entry, many of our problems in this field would be eliminated.

I wish to ask the minister what certain $1 items in the supplementary estimates represent. I wish to point out that the total sum at the bottom of page 13 of Supplementary Estimates (B) ought not to be $6,200,000 but $6,200,003. Three $1 items have not been included in the total, and I wonder exactly what those $1 items represent. What area of the department is involved in these expenditures and how much money in actual fact is involved in these three $1 items?

I have made what I consider a reasonable argument in favour of changes that the entire committee has advocated for a number of years. I hope the minister will give these matters his serious consideration.

Mr. Brewin: Mr. Chairman, we in this party are glad that the supplementary estimates of the Department of Manpower and Immigration are being considered. We have become deeply disturbed about recent developments, particularly in the field of immigration. I do not propose to discuss the manpower side of the minister's responsibilities; instead, I wish to discuss the immigration policy of this country.

We have become very much disturbed because of answers the minister has given to questions asked in the house. Particularly, I refer to the treatment of deserters and draft dodgers. The reason for our being disturbed has nothing to do with the desirability or otherwise of admitting deserters and draft dodgers from the United States or elsewhere, although I shall have a word or two to say on that matter. That is not the question disturbing us—and I am glad to see the minister is listening. We wonder whether the immigration law of the land is to be administered according to the law laid down by parliament in the Immigration Act and by the government in orders in council, or according to unpublished directives sent to officers which are not in accordance with the law laid down by parliament or orders in council. In other words, is the law in the field of immigration to be governed by the law-making bodies of this country, or by whim, discretion, abitrary judgment or prejudice? The issue that has arisen at the present time is connected with the question of deserters and draft dodgers.

According to a statement the minister made in the House of Commons in answer to a question, a directive was issued in July to immigration officials suggesting that when they deal with applicants seeking to cross the borders of our country some regard should be paid to what are called obligations, which may be either contractual or to the armed services of a country. I say to the minister that if the subject matter of such directives is to be the law of this land, it should be laid down in the proper way by parliament in an amendment to the Immigration Act. We should include within prohibited classes those who fall within the categories mentioned in the directive. In any event, the government has power to deal with the matter by order in council. For example, if it is the policy of the government not to admit draft dodgers or deserters from the U.S. army or any other army, persons coming into that category should be included in the prohibited classes and the government ought to spell that out by way of order in council so that the law may be known.

I point out to the minister that, basically, there are two different theories which operate in the field of immigration. One theory is that those who do not come within the prohibited classes have the right to enter Canada if they comply otherwise with requisite laws and regulations. I believe it is the scheme of the Immigration Act to admit all who are not prohibited. That is how the courts have interpreted the legislation. If that is so, how can such persons lawfully be excluded purely on grounds of arbitrary considerations which operate only in the minds of officials and which therefore cannot be known to others? The other theory is that immigration should be regulated entirely by administrative discretion.

• (4:30 p.m.)

In my view admission to this country should be by a proper judicial process after a determination of whether the person falls into a prohibited class. This is of fundamental importance. We in this country should seek to maintain a truly liberal immigration policy. I use the word "liberal" advisedly, with a small "l". We recognize the tremendous value of

people who have skills and capital coming to Canada to assist in developing this country. If we want people to come to this country we must treat them in a fair and reasonable manner. I challenge the minister to produce any order in council or statute which would justify the exclusion of people on vaguely contractual grounds. The minister mentioned default in family obligations, but where is that to be found in the regulations or orders in council? The minister suggested perhaps deserters should be excluded. I understand this policy is under review.

Many deserters have been excluded in the last few days and weeks, not because of any law of this country but on the basis of either some secret directive not published or made available to the would-be immigrant or on the basis of the feelings of prejudice about certain people of individual immigration officers. This is something which must be clarified and changed. It is ridiculous to maintain immigration appeal boards if the grounds of exclusion are of this arbitrary nature. If the government has not decided to exclude deserters and draft, it should not be issuing indirect instructions to its officers to use wrongly the power of assessment on the basis of personality in order to keep out certain immigrants. If these people are to be excluded, the government should clearly state the basis of exclusion. The policy proposed to be enforced must be by order in council so that it can be discussed in this house.

In my opinion it would be a grave mistake to refuse to admit deserters from the United States and from other countries in the world. Frequently people leave their own countries on matters of principle. Many people feel that the United States, by its involvement in Viet Nam, is pursuing a course fraught with great danger to itself and the world. Many people who apply to come to Canada are conscientious objectors to the policy of their own countries. It is, therefore, for political reasons that these people are excluded. I am sure the minister will agree it is against the tradition of this and other civilized countries to refuse admission to people on what are basically political grounds.

We have adequate powers of exclusion on the grounds that people have committed criminal offences or are members of subversive organizations. These people fall within the prohibited classes. If a person has committed an offence solely against the military laws of a country, this should not be sufficient reason to exclude them from entry. I know this has not been done in the past and it should not be done in the future.

[Mr. Brewin.]

I was interested in the admission of an army officer who deserted the Portuguese army because he felt the colonial wars they were fighting were against the interest of his country and humanity and in fact had been condemned by the United Nations.

There are many other matters connected with immigration which I would like to discuss with the minister but obviously this cannot be done in the 20 minutes available to me. I ask the minister to review certain features of great importance in the administration of this act.

Out of a total of 50 points required, 15 points are allowed on a subjective test given by the immigration officer. These 15 points are supposedly for personality. I have had a lot of experience in these matters and I find that even if a person has the greatest qualities in the world he never receives more than seven or eight points out of a possible 15. If an immigration officer does not like the looks of a person, he could give that person only three points, thereby preventing him from entering this country. These tests are often conducted by administrative officers with little training, background and experience in this field. This is unfair and should be reviewed.

I ask the minister to have his department check into cases where promising people from Italy, Greece and the West Indies have only received two or three points out of a maximum of 15. I suggest to the minister that the Immigration Appeal Board Act should be amended to give the board the right to exercise a discretion in cases of immigrants having the ability to establish themselves in this country. I am sure the minister is familiar with the regulation which gives an immigration officer the right to admit a person into the country who does not obtain the required 50 points if that person is considered capable of establishing himself in this country. The Immigration Appeal Board should be given this same power.

Often desirable people are not admitted to this country because they do not meet some technical standard set out in the act. This is the opposite of what the immigration policy should be. The policy should be to facilitate the admission of qualified people to this country and not to find reasons why they should not be admitted. The hon. member for Parkdale, who has a lot of experience in this field, agrees that the present system is not functioning as it should.

• (4:40 p.m.)

I remind the minister that the white paper on Canadian immigration policy issued in 1966 listed a series of suggested changes and amendments to the Immigration Act and the regulations. Only a handful of these suggestions have been put into effect. It is necessary to have new regulations and new legislation to carry out the good intentions expressed by the government in that white paper in 1966. Furthermore, I ask the minister to do what he can to see that the committee of the house on immigration is active because there are lots of things in relation to the working out of these regulations that ought to be reviewed by hon. members. One is that the father of a child cannot bring that child into this country if the child was born out of wedlock. He may have recognized the child and supported it throughout life, yet he is not allowed to exercise the rights of a father. We know full well that in many countries of the world, and in countries fairly close to Canada, the institution of matrimony does not enjoy quite the same status as it does here. I personally know of three or four cases of fathers who assumed the full obligation of parenthood being refused the opportunity to bring in so-called illegitimate children. That is the sort of thing that ought to be changed.

I imagine my 20 minutes are just about coming to a close, Mr. Chairman, and I wish to conclude by dealing with the same matter raised by the hon. member for Edmonton East a few moments ago when speaking for his party, and that is the question of the admission of students and visitors into this country. I plead with the minister not to yield to any hysteria that there may be on this subject but to maintain a genuinely liberal policy in regard to it. I have reason to believe that the minister is a man of liberal tendencies and attitudes in regard to this question, and a man of humanitarian views. Let us not be too strict about these matters, about all the inquiries we are going to make into the background of students and other visitors. An open country will contribute more in the long run to the well-being of the community than any narrow picayune—I was going to say conservative but I do not mean Conservative in a political sense—restrictive attitude, trying to find reasons why people cannot come to Canada, because such an approach will do damage to this country.

May I summarize what I have been trying to say. First of all, let us have a law laid down in orders in council and the acts of this parliament and not a law laid down by directives. Second, let us remember that many of the so-called deserters and draft dodgers, of whom some people speak with contempt, are very fine people with skills that can contribute to this country. Let us recognize that there is a vast unfulfilled agenda for the immigration department in its own white paper. Let us get rid of the principle of 15 points for a purely subjective test of skill. Let us maintain a liberal policy with regard to students and visitors.

There is one other problem, if I have the time to raise it, the question of the points allotted under the present system of the basis of occupational demand. I have found, and I call this to the attention of the minister, that often would-be immigrants are allotted zero points for occupational demand and they are not told what the basis for this is. It is supposed to be based on figures in the minister's own department. Officials give would-be immigrants zero points without any explanation at all and without any opportunity of seeing, even if the would-be immigrants demand it, the documents on which this assessment is made. There should be no secret documents in this field. If the department has documents to show that we have need of dentists and doctors, that we have need of welders but do not need farm labourers or hairdressers, is there any reason in the world why that information should not be available to would-be immigrants?

There is one other feature with respect to this whole administration that I must raise. I mentioned it to the minister in the standing committee, but nothing has been done about it. It is the farcical type of procedure which is still carried on in relation to medical certificates where a person is summarily deported from this country on the ground that he does not have a medical certificate from a medical officer, and he can only get such a certificate from a medical officer or doctor appointed by the department. If an immigrant goes into the departmental offices and asks for an appointment with a doctor, officials tell him he cannot have an appointment, that he cannot see any of the doctors. His health may be perfect but he is deported for not having a medical certificate, and yet he is not allowed to see the only man or men who can give it to him. Usually there are other reasons for the deportation; nevertheless it is a farcical, nonsensical thing for people to be deported for not having a piece of paper which they are

denied the opportunity of getting by a decision of the department.

I say to the minister that we have high hopes his term of administration will be a liberal one, one that will carry out the promise that is contained in the white paper, one that will make our immigration policy what it ought to be, a free, generous and fair policy.

• (4:50 p.m.)

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I do not want to delay unduly the work of the house, but the legislation before us provides for a credit increase, and this will increase expenditures further. I think we should probe our conscience on the way all departments are spending money.

I could not help but call the attention of all hon. members, and specially those on the government side, to the lack of planning in regard to expenditures. In fact, such planning should be done every six months, as the estimates are not introduced every year but every six months, and this is the cause of increased financial needs.

I think that planning is not done with enough anticipation, and that the ministers fail to respect the maximum stated in their department estimates. I shall not speak of $2 or $4 items, for that is the business of accountants, yet I would like to draw the attention of the house to a concrete case.

It happened in 1966, within the Department of Public Works. Perhaps I shall be told that this is irrelevant since it goes back to 1966, however such incidents arise almost every day. That is why I want to criticize the government, however mildly I do it. In my opinion, complete control cannot be exerted over the way public funds are spent, or over the conduct of officials.

The Deputy Chairman: Order. I wish to remind the hon. member that we are now considering the supplementary estimates of the Department of Manpower and Immigration, and that he should confine his remarks to those estimates.

Mr. Beaudoin: Thank you, Mr. Chairman; I was just coming to them.

I was about to speak of manpower or of the people working in the Department of Public Works to illustrate my point.

The people working in the Department of Public Works or any other department are, in my opinion, manpower. Is that what we are

now considering, Mr. Chairman? If so, I will deal with that.

The Deputy Chairman: It has been agreed that we would first deal with the housing problem and then with the Department of Manpower and Immigration.

However, if the hon. member can connect the question of manpower employed by the Public Works Department to the supplementary estimates now before us, his remarks might be more relevant.

Mr. Beaudoin: Thank you, Mr. Chairman.

My remarks have to do with the way federal officials are spending unduly public money. It seems to me that when one hires somebody, one has a responsibility towards him. I shall give you an example of what I mean.

At some point, it was decided in Sherbrooke to make a historical monument out of a certain building. I am referring to the old residence of Sir Alexander Galt who, in 1867, had been the principal instrument in drawing up the British North America Act. It was decided to move the house some 150 feet from its actual site. According to experts, it weighed around 600 tons.

The Deputy Chairman: Order. I think the hon. member has deviated somewhat from the matter before us, the supplementary estimates of the Department of Manpower and Immigration. I would suggest that he deal with the question which presently concerns him at the next centennial.

Mr. Beaudoin: Thank you, Mr. Chairman.

Therefore, I will limit my remarks to the credits for housing. I think that certain departments should pay more attention to planning, in order to give new life to the industry and to reduce the interest rates, both in the public and the private sectors.

[*English*]

Mr. Loiselle: Mr. Chairman, the minister has had an urgent call outside the house. I had hoped that the previous speaker would retain the floor for a few minutes in order to give the minister an opportunity to be here. The minister should be here in a few moments.

Mr. Badanai: Mr. Chairman, having been a member of the Standing Committee on Immigration and having had the privilege of serving as parliamentary secretary to two ministers of citizenship and immigration, naturally I am interested in the important and absorbing subject of manpower and immigration.

For years I have given attention to problems and questions concerning the admission to Canada of prospective immigrants.

In the 11-year period during which I have had the honour to represent the constituency of Fort William, I have consistently maintained that Canada's immigration policies were out of date. In 1962 barely 72,000 immigrants were admitted and we lost nearly as many persons to the United States. That was approximately the situation when in April, 1963, the present government took office. At that time a start was immediately made to give substance to the statement in the Speech from the Throne which promised that the government would give attention to the need to encourage immigration.

Subsequently, under the energetic direction of dedicated ministers, the fog which obscured the operations of the immigration services in the past began to clear away. We have made great progress in the admission in immigrants since the Pearson government took office in April, 1963. But there is still a lot of room in Canada. It is still an empty country with less than 21 million people living in 3,500,000 square miles of land, richer and more productive than most western nations. The only sphere in which we are poorer is in population.

I said that we have made progress, but I honestly think we should do even better. The economics of immigration must not be denied as an important factor. With this in mind, we know the countries of Europe are in a position to supply qualified immigrants. One should also consider the population density in the various continents. Europe has the highest with 111 persons per square mile, Asia 98, North America 30, Africa 21 and South America 19. By country, Holland has 878 persons to the square mile, Belgium 769, England 566, Germany 546, Italy 540, Russia 27, Brazil 20, and Canada only 5.

In 1963 and again in 1966 I had the privilege of travelling across the Northwest Territories and the Yukon. This vast empty land, rich in mineral resources beyond the dream of early explorers, awaits the day when its 1,400,000 square miles will have a population worthy of its size and wealth despite the harsh weather of winter, although modern facilities and machinery have made life easier to bear in the territories. I think we have been a little slow in promoting a drive for settlers in those regions.

After my first experience in the north I made a report to the then minister concerned suggesting that a policy of northern immigration be established whereby assistance would be given to any immigrant willing to settle in those northern regions for a period of at least five years. After seeing the results in respect of those who migrated there, I am confident that most of them would remain permanently.

The present Minister of Public Works, when he was Minister of Indian Affairs and Northern Development, in a speech to the fourth national northern development conference held in Edmonton on November 2, 1967 had this to say:

> There should be good epigrams about the north, for few areas have had so many half-truths hung about them. There is the half-truth that the Arctic is uninhabitable at any time of year for normal people. There is the half-truth that if government would will it, the north would be a hive of mineral production and industry overnight—
>
> What we seek at these conferences is the whole truth. Just as it is truth that sets men free, it is truth that sets a region growing, prospering and yielding up its riches.

In 1937 Andre Siegfried wrote:

> The northland is peculiarly Canadian... The effect of the north on Canadian individuality is noteworthy... Many countries, and they are to be envied, possess in one direction or another a window which opens on to the infinite, on to the potential future. The open sky thus becomes part of their frontier, and to them it acquires a symbolic, almost spiritual significance... In Canada the frontier which abounds in poetry and latent hope is less the west, as in the United States, than in the northwest, or simply the north. Yet the north is always there like a presence; it is the background of the picture without which Canada would not be Canada.

• (5:00 p.m.)

I am very happy to have the opportunity of sitting next to the Minister of Indian Affairs and Northern Development. He is doing a great job to help the development of the north. I am sure that many would-be immigrants from Scandinavian countries would welcome the opportunity to settle in the north.

I should also like to say a word in favour of establishing some ways and means of enabling immigrants from the Ukraine and Poland to join their relatives and friends in Canada. I realize it is not the government's fault we are not getting many immigrants from eastern Europe. Nevertheless I believe that an approach should be made to Poland and the U.S.S.R. for a review of their attitude toward a humane immigration policy which would go a long way toward establishing greater and more effective friendly relations between our countries.

In any event, the object is to attract as many qualified people as possible to help build Canada. In the process we will need the professional, the artisan, the tradesman, the ordinary worker, skilled and unskilled. In other words, we should make it easier for the skilled and the unskilled labourer to come to Canada because we need numbers in both categories and will need them for years to come.

I am confident that the present Minister of Manpower and Immigration, in following the dynamic concept of easing the admission of immigrants from many lands as set by his immediate predecessor, will continue to pursue a humane policy in respect of the admission of applicants for landed immigrant status. I would make a special appeal to the minister to place no obstacles in the way of members of families already here, regardless of whether they can fulfil established qualifications. Any applicant who wishes to join his brothers and sisters already here is unlikely to become a charge on the state.

I want to thank the committee for giving me this opportunity to speak and I sincerely hope the minister will take to heart the need for immigrants in Canada which will exist for many years.

Mr. Haidasz: Mr. Chairman, I welcome the opportunity of making a few remarks on the estimates of the Department of Manpower and Immigration. First, I regret very much that the special committee on immigration, which studied the white paper on immigration policy published during the 27th parliament of Canada, did not have the opportunity of tabling its last report.

During the course of this debate the hon. member for Greenwood stated in very clear terms many valid arguments and criticisms in respect of the present administration and the law on immigration in Canada. I have received complaints from all parts of Canada. They come from many people who are disturbed by the way prospective immigrants are treated by officials of the Department of Manpower and Immigration.

At this point I should like to say that in particular those people who want to bring their close relatives from Poland feel it is high time that this department established a special office in order that these applications could be processed in Poland just as they are processed in other countries. They feel they are being discriminated against in this respect.

[Mr. Badanai.]

Many people have complained about the restrictive clauses of the Immigration Appeal Board Act. The complaints are that the act should be extended in order that any Canadian citizen could appeal to the board in respect of any class of relative he wants to bring to Canada rather than have this restricted as it is at the present time. These people have suggested that the act should be amended to allow the board to hear cases and decide them not only on compassionate and humanitarian grounds but also on merit.

Last weekend I received a delegation of Spanish-speaking Canadians. These people came to my office and stated they had been treated rather miserably by the officials in Toronto. They informed me that one applicant had been told that his deportation order was postponed and that he could go and take a job. He wrote to his wife in South America telling her to sell everything and come here. In the meantime he has received a letter from the Immigration Appeal Board to the effect that his application has been reviewed and he must return. What are this poor man and his wife in South America supposed to do now?

I have received many complaints along these lines and I hope the minister will take them to heart. I do not want to prolong this debate but I should say I endorse many of the points raised by the hon. member for Greenwood. I hope the minister will not only give these his attention but, if necessary, use the broom to bring about order in this department.

Mr. MacEachen: Mr. Chairman, there have been a number of points raised during the discussion which I should like to deal with at this time. There is not an opportunity in the time available to members or to me to make a full scale examination of the Department of Manpower and Immigration. Members of the committee will be aware that the estimates of this department are to be studied by the standing committee. They will have an opportunity at that time to discuss in detail all the problems which have been properly raised before this committee.

It is apparent that of all the departments of government, at least at the federal level, no department touches the people more closely than the Department of Manpower and Immigration. In Canada we have more than 300 manpower centres operating in all the provinces. The counsellors and personnel of these manpower offices are dealing with problems in respect of training and employment of individual citizens.

We are attempting to establish high standards of efficiency and courtesy, and I am satisfied that in the great proportion of cases that standard of courtesy and efficiency is maintained. Officers are always alerted about complaints of discourtesy or inefficiency, and we continually remind personnel of their obligations in this respect.

• (5:10 p.m.)

The same is true of immigration. There is no problem more sensitive to human reaction than problems in respect of relatives in other countries who want to come to Canada to join their friends or kinsmen. I am quite aware that in the administration of especially the immigration side of the department there are bound to be frustrations and disappointments. The hon. member for Edmonton East mentioned the situation in Hong Kong. It is true that there is a backlog in the sense that there is not an instantaneous processing of applications and there are delays. The fact is that—

Mr. Lambert (Edmonton West): I am told there is confusion.

Mr. MacEachen: —over a period of time the facilities have been increased, the personnel situation has been improved, and as soon as financial resources make it possible we will increase and improve them further. The objective of universality, which is the bedrock of the immigration policy, can only be achieved if facilities are available in countries in the world to receive interested applications. Until that is completely possible, the ideal of universality cannot be fully realized.

Mr. Lambert (Edmonton West): You have had since October, 1967, to do that.

Mr. MacEachen: We have had, since the new regulations came in, a period of time that has been used to improve the facilities. As resources become available we intend to improve them further. The hon. member for Greenwood raised a question that has been very much in my mind. It has to do with the matter of so-called draft dodgers and deserters. The hon. member is aware that from the very beginning, so to speak, there has been no impediment on that ground alone to the admission to Canada of so-called draft dodgers or draft resisters.

If immigration officers are requested not to seek information with respect to the draft status of any person, and if such a person volunteers information with respect to his draft status, he is told that this information is irrelevant to his admission to Canada. In other words, if a person qualifies under the normal assessment process, draft status does not enter into the question of his admissibility. It does not enter into the picture at all. This is the policy that has been maintained.

A great deal of confusion has been created as between the question of draft dodgers and military deserters or persons who are members of the armed forces of any country. In television programs and briefs there has been a distinct tendency to draw upon statements that apply only to draft dodgers and attempt to apply them to members of the armed services. I have already stated that this question is under review.

I would like to state, for the benefit of my hon. friend from Greenwood, the historical situation with respect to members of the armed forces. It can be simply stated. Until July, 1968, an immigration officer examining an applicant at either a port of entry or overseas would not admit such a person if he were a member of the armed forces, unless proof of discharge were presented.

Mr. Brewin: Mr. Chairman, could I ask the minister a question? Does he know of any basis within the law to justify this? There may be good reasons for it, but is there anything in the regulations promulgated by the government of Canada that justifies exclusion on that ground? I know there are rights of exclusion on the ground of criminality and subversive activity. Is there anything that enables a person to be excluded on the ground of a breach of the military law of another country?

Mr. MacEachen: A rule does not exist in that form at the present time. It was superseded last July by the directive to which my hon. friend referred. But up to that point, with respect to persons who were members of the armed forces applying at a port of entry or overseas, proof of discharge was necessary. This was the practice up until that point. With respect to persons applying in Canada, until January of 1968 proof of discharge was also requested. The implication that changes in the regulations have been in the direction of toughening the practice is quite wrong, as the facts that I have mentioned demonstrate.

My hon. friend asks what is the basis in the law for the situation that prevails at ports of entry or overseas, that is, the situation which gives an immigration officer discretionary latitude, if you want to put it that way. My

hon. friend will agree that the Immigration Act does provide the capacity to make regulations, including regulations with respect to admission. There is a regulation which entitles an immigration officer, aside from the scoring of the 50 points and whether a man has above or below the 50 points, depending upon the assessment of the officer, to use his own discretion.

Mr. Brewin: Mr. Chairman, may I ask the minister a question? Is that discretion not related solely to whether he thinks he can establish himself successfully in Canada, and not to some matter like military status or something of that sort?

Mr. MacEachen: The officer is entitled to assess, aside from the actual scoring, whether the person is likely to settle satisfactorily or successfully in Canada. Among the considerations involved are substantial moral, legal or contractual obligations in the country of origin. My hon. friend may dispute whether an immigration officer ought to have this discretionary authority. That is one point. But we are satisfied that under the regulations and under the law it is a lawful exercise of his discretion.

I do not intend to go beyond this point in a discussion of this whole question, except to say that some months ago I instructed my officers in the department to examine the whole question of draft dodgers, members of the armed forces, and their admission at the border or in Canada. At present we are nearing the completion of our review. I hope that very shortly we will be able to make a very clearcut statement on this issue so there will be no doubt in anybody's mind as to the actual situation with respect to these categories of persons.

Mr. Brewin: Mr. Chairman, may I ask the minister one last question, and I shall not interrupt him again? How soon does he propose to make that statement? Also, is the discretion of an immigration officer limited exclusively to the question of the applicant's chances of establishing himself successfully in Canada? Do the reasons for so deciding have to be submitted in writing and approved by an officer of the department? Those are the qualifications that exist and they have nothing whatever to do with the draft status or the military status of the person applying for entry into Canada.

[Mr. MacEachen.]

• (5:20 p.m.)

Mr. MacEachen: I disagree with my hon. friend. I think there is at least a body of opinion which suggests that a person who is reluctant to assume legal responsibilities in the country of origin may not be too anxious to accept legal responsibilities in his new country. So it does seem to me that this is a relevant consideration in assessing the capacity of an individual to settle satisfactorily in Canada. It seems to me that, for example, a person who is married in the United States and has a number of children and who comes to the border on his own and qualifies on other grounds might not be considered a candidate for successful settlement in Canada and that it might be questioned whether this would be an impediment to his successful settlement here. This is another consideration that enters into the overall assessment.

My hon. friend may disagree with the application but certainly I do not think he can argue successfully that it is not a relevant consideration. It is true that if an immigration officer does reach a decision on this ground, he has to refer it to a superior officer for consideration, so that not only one person but at least a second person must agree with this particular judgment. In a nutshell, the situation is that we do not draw any conclusions from a person's draft status. At ports of entry or overseas an immigration officer at present is entitled to use his discretion in the manner I have described either to admit or refuse to admit a member of the armed forces to Canada. In the case of an applicant who comes to Canada from the United States as a visitor and applies for admission as a landed immigrant, membership in the armed services is not considered a relevant factor.

The purpose of my review is to establish whether in fact there is a justification to draw a distinction between draft dodgers and members of the armed services, whether there is a justification for one treatment at ports of entry and overseas and another in Canada, and finally whether there should be a clear admission of all members of the armed services from any country in the world—and that would be the effect of the policy advocated by my hon. friend—or whether indeed it would be our decision as a matter of policy not to admit a person who is a member of the forces of another country until he has discharged his obligations to those forces. These are some of the issues that are under review at the present time.

My hon. friend spoke about the admission of persons to Canada for short term visits. Recently we had a case of a person who inadvertently was permitted to enter Canada and who made speeches here. In these cases we have tried to draw a balance between the requirements of freedom of speech and public safety and security and public order. I think that normally persons who might otherwise be prohibited are admitted to Canada for short term visits to make speeches if they are sponsored by a reputable organization. A person holding subversive views, for example, might be admitted to Canada for a short term visit to make a speech on the understanding that this is a free and open society and that Canadians should be entitled to the widest possible expression of opinion. On the other hand, if such a person came to Canada and it were determined that his presence might lead to public disorder, riots, or the breaking of the law, then it seems to me there is a valid case for refusing that person admission.

Mr. Valade: How does the minister prejudge that?

Mr. MacEachen: It is very difficult indeed to prejudge any such case, and I admit this quite readily. For example, in the case of Mr. Rubin who was in Canada last year, he advocated the violent overthrow of the Canadian government. Perhaps my hon. friends opposite would not think that such a bad idea.

Mr. Aiken: No, a peaceful overthrow.

Mr. MacEachen: And, I understand, he led the mob to take possession of a faculty lounge in that university and he suggested that it should be occupied and reoccupied by the students. It seems to me that this was a consideration which should affect his admission to Canada at some future time. Certainly, under our policy the giving of speeches on a short visit under a reputable organization has never been a basis for prohibiting persons mentioned by the hon. member for Greenwood. It is a very difficult policy to administer, as one can determine from the stated views in the house itself. There is one group advocating, "let the man in", and there is another group saying, "keep him out". Both groups are giving expression to a certain point of view. My purpose is to try to draw a reasonable balance between the two views which at times can become extreme.

Mr. Brewin: You have to err on the side of freedom.

Mr. Valade: I would like to ask the minister a question for clarification. How would he define a reputable organization to justify the admission of a person? The minister used the words "reputable organization". Is this term defined in the immigration laws and if not how would he define it?

Mr. MacEachen: I do not have a list of organizations with one column entitled "disreputable" and the other entitled "reputable".

Mr. Knowles (Winnipeg North Centre): Would the minister table it?

Mr. MacEachen: Certainly there would be no difficulty with such organizations as there might be with, for example, the Progressive Conservative Association. But many of these persons come to universities. It seems to me that a university club on a university campus must be regarded as a reputable organization when the person is speaking under the sponsorship of a student organization that is recognized on the university campus.

Mr. Valade: My question is whether there is a definition in the law which would allow the minister to define what is reputable and what is not reputable.

Mr. MacEachen: I do not think we can find any laws which would be of any help in this regard. Until a few years ago there was a class of prohibited persons normally not admitted to Canada. The policy was changed to admit persons, who might be regarded as prohibited, for short term visits to make speeches under a sponsorship if it could reasonably be believed that such a person would not consort with criminals, engage in criminal activities or engage in acts or utterances that would lead to public disorder or serious riots. It is really a question of policy and has to be administered, it seems to me, with the best judgment that the department can exercise. We are always getting opinions from the house and elsewhere about what is regarded as reasonable administration of this kind of policy.

• (5:30 p.m.)

Mr. Gilbert: May I ask the minister whether he believes that immigration officers should have sole discretion to determine the admissibility of a prospective immigrant, in view of some of the criteria he mentioned. I

have in mind the failure of an applicant to meet contractual obligations or some other type of obligation, thereby giving the immigration officer the discretion to refuse his admission. Does the minister not think that the Immigration Appeal Board members should have a similar discretion in regard to this decision?

Mr. MacEachen: Mr. Chairman, I am not sure I understand the question clearly or the implications of it.

Mr. Gilbert: I will try to clarify my point for the minister. The minister has just said that the immigration officer possesses an overriding discretion in regard to refusing an applicant admission on the ground of his failure to meet, for example, contractual obligations in his own country, or for some other reason. The minister has just said that. Should the members of the Immigration Appeal Board not have a similar discretion in the making of such decisions?

Mr. MacEachen: We are talking about the judgment of an immigration officer as to the likelihood of an applicant establishing himself successfully in Canada. The officer's opinion under the regulations may be based on factors other than the nine areas covered in the selection system. That is in the regulations. The hon. member is asking me for an interpretation of the present immigration law. I think that the board has exercised its authority to land people who have scored, for example, less than 50 points.

Mr. Brewin: No.

Mr. MacEachen: I think it has. It is subject to confirmation and is a question of fact, but my recollection is that the board has landed people who have scored less than the 50 points required under our selection system.

Mr. Howard (Okanagan Boundary): Mr. Chairman, I started to speak the other day on the bill before the committee but I was interrupted part way through my remarks. I should like to continue with the remarks I was making at that time.

I was talking about regional disparity and improvements in this regard. I represent a riding that has profited a great deal from the area incentive program. I mentioned the other day that we have succeeded in adding to the work force in our area 2,000 to 3,000 people as a result of the incentive program. Investment in excess of $100 million has also come along as a result of the program. I should like to see the program continued but I am a little alarmed by the growth centre concept that has been suggested by the minister. We in our area have found that the growth centre concept is not valid, that we have done a much better job of promoting industrial development by diversifying industry throughout the communities in the area.

I suggest there are many people in Canada who are very experienced in this field, people working with CUSO and other organizations who have found the same kind of thing in their travels and work abroad. I suggest their experience would be valuable. I have talked to them and they have told me that the growth centre concept that is being suggested is not successful in developing industries.

In addition to regional disparity I want to talk about the language disparity problem facing Canada. I merely mention this in passing and wish to say that people in western Canada have a good deal of difficulty understanding some of the problems involved in language disparity in Canada. They also sometimes have a little difficulty understanding the kind of programs announced by the government, such as the $225 million that is to be spent in Prince Edward Island during the next few years. With a population of 110,000 people this expenditure works out at something like $2,000 for every man, woman and child on the island.

People in western Canada find programs such as this difficult to understand, and they also realize that they will have to put up the money. Although I think they agree with them in principle, the people of western Canada are far removed from government, from being able to see these problems at close range. There is in western Canada at times a problem of administrative unconcern which is just as serious as language disparity. The other day I said I thought we should postulate a new law to be called the law of administrative concern, and I suggest that administrative concern varies inversely with the distance of the administrator from any given problem.

Recently the premier of British Columbia responded to this sense of alienation in western Canada by suggesting that British Columbia take over a great chunk of the Northwest Territories and the Yukon and administer it because he thought that British Columbia could do a better job. I agree with Mr. Bennett's concern about the administration of some of these territories and the problem of being a long way from Ottawa, but I

do not know whether he has the right answer. I think he has the right question but the wrong answer. I think his solution is somewhat like that adopted by the great barons of England who did their best to seize more and more territory in the course of history and eventually tried to become stronger than the king. Mr. Bennett would end up controlling an area 1,500 miles long by 600 miles wide, an area possessed of tremendous wealth and resources. What incentive would British Columbia have to stay in Canada? It would be a nation by itself. Mr. Bennett may say that this is his last territorial ambition, but I do not believe him.

However, if Mr. Bennett is right about this problem and is wrong about the solution, then what other solution do we have to offer? I believe we must make a better effort in Ottawa at the federal level to understand the problems of western Canada, such as wheat sales about which we talk a great deal, the problem created by oil that is with us so much today, and a problem in British Columbia that receives much discussion, that of the 12-mile limit, a matter of great concern to us.

I think that what is needed is a cabinet that will go out to British Columbia and western Canada from time to time to meet the people, a cabinet that the people in western Canada can see. I think something further is also needed. If we are going to solve the problem we will have to build a federal government centre in western Canada, which we could perhaps call the summer capital. I am talking about something that is more than a building; I am talking about a western regional headquarters of government, a place where the cabinet could meet occasionally and where westerners could meet the government. I also have a couple of locations that I could suggest for consideration.

• (5:40 p.m.)

I am glad to see the Minister of Public Works in the house because, as a westerner, I am sure he will be interested in this project. He may be responsible for implementing it. I suggest that two very good locations which could be considered are those great national parks, Banff and Jasper. Either will do. Both are federal territory and westerners recognize them as such. The parks hold a special place in the esteem of westerners and I think that if the project were undertaken in either one of those parks western Canadians would feel more closely bound to the rest of Canada.

Another consideration which ought to enter into our thinking is that we live in dangerous times. This is the atomic age. Should that catastrophic day we hardly dare think of ever arrive, what better place could there be for assembling the government of Canada than in an auxiliary centre maintained in western Canada? Western Canadians would be happy with that prospect. They feel it is just as necessary for the government to attend to western Canada as it is for the government to spend money in the maritimes and Quebec. After all, western Canadians have some part in shaping Canada's destiny.

It is no secret that at present some western Canadians feel alienated from the rest of Canada. The government should consider not only the problems of eastern Canada. Building an auxiliary centre of government in western Canada would do much to help the aspirations of our westerners and would tend to unite the country.

I now wish to deal with that clause of the bill having to do with the Public Service. I am a great supporter of the Public Service which costs us a great deal of money. Public servants are being paid large salaries these days, and that is good. When the Glassco Commission brought down its report on government organization in 1962, we had about 246,000 public servants. Now we have about 369,400 and pay them over $2 billion in wages and salaries.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but, pursuant to an order of the house made on February 24 last, it is my duty to interrupt proceedings and put every question necessary with respect to the bill now being considered.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

The Deputy Chairman: Shall the schedule carry?

Mr. Knowles (Winnipeg North Centre): On division.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Mr. Baldwin: On division.

Bill reported.

Mr. Drury moved the third reading of the bill.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Mr. Baldwin: On division.

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

An hon. Member: Six o'clock.

The Acting Speaker: (Mr. Béchard): Is it the wish of the house to call it six o'clock.

Some hon. Members: Agreed.

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

HOUSE OF COMMONS

Thursday, March 6, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

Second report of the Standing Committee on Public Accounts, in French and English—Mr. Hales.

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

VANCOUVER—THREAT OF DISMISSAL FOR ADHERING TO CONTRACT PROVISION—DELAY IN DELIVERY

Hon. Robert Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Postmaster General. Will the minister say if postal workers in Vancouver are being threatened with dismissal if they adhere to the article in their labour contract respecting wash-up time?

Hon. Eric W. Kierans (Postmaster General): Postal workers across the country are expected to adhere to the instructions laid down in accordance with the contract, and they are expected to obey instructions of the government. A decision has been made in the department which will eliminate an additional sorting between one o'clock and two o'clock p.m., because we did not consider this was justified. If workers wish to appeal this, they can institute a grievance procedure. We will proceed as quickly as possible to adjudication as we are quite anxious for a third party to pronounce on who is actually running the Post Office.

Mr. Stanfield: A supplementary question, Mr. Speaker. Is it the intention of the Postmaster General to convene a meeting of his senior management staff and the negotiators of the postal unions as recommended to him today as the best means of avoiding an explosion with regard to the postal service in Vancouver?

Mr. Kierans: I have been meeting, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Prince Albert): In connection with the Post Office Department, Mr. Speaker, is there anything in the nature of a slowdown taking place in the transhipment or sending of mail? I ask that because I sent a letter marked first class mail to Mr. George Cloakey, 720 Earl Grey Crescent S.W., Calgary, Alberta, which left Ottawa on February 20 and was received in Calgary February 26. What is the reason for mail being held up like this? Will the minister look into this, because it is another flagrant—

Mr. Kierans: I am sure the letter is very important, Mr. Speaker, and I will be glad to look into the matter.

Mr. Diefenbaker: Mr. Speaker, that observation—

Mr. Speaker: Order, please. Is the right hon. member rising on a point of order?

Mr. Diefenbaker: Yes I am. That observation was totally uncalled for. All mail is important, even that which comes from members of parliament.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a supplementary question to the Postmaster General regarding the wire he has received from the postal workers in Vancouver. Has the Postmaster General been advised by the postal workers that the management has threatened suspension and dismissal of members who are merely insisting that the terms of the contract under which they operate shall be carried out? Will the minister assure the house that there will be no dismissals until the interpretation of the collective bargaining agreement has been thoroughly explored?

Mr. Kierans: Mr. Speaker, the Leader of the Opposition has just brought up exactly the same question. As I have replied, the best

way to resolve this problem is to proceed by way of grievance and to go to adjudication. We would certainly waive the preliminary steps and ask for a third party decision as quickly as possible.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I think the Postmaster General did not get the import of my question. I am asking the Postmaster General if during the time that discussions are being held regarding the interpretation of the collective bargaining agreement he can assure the house that there will be no suspensions or dismissals as have been threatened by management?

Mr. Kierans: Mr. Speaker, when the two sides decide to go to adjudication on these issues I imagine that neither side will want to test its strength, or at least should not want to, and meanwhile all people working for the Post Office are expected to obey the legitimate directives of the administration of the Post Office.

Hon. George Hees (Prince Edward-Hastings): As one of the main bones of contention between the postal union and the minister and his department, as to the provision for wash-up facilities and the right to use those facilities when needed, does not the minister consider it would be cheaper and far more preferable to allow the postal workers to return to their stations at noon instead of providing these portable wash-up facilities to follow them around their routes?

Mr. Speaker: Order, please. I would think the hon. member's supplementary question is argumentative.

EFFECT OF RATE CHANGES IN NON-PROFIT PUBLICATIONS

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a supplementary or related question to the Postmaster General. Having in mind the continued volume of protests coming from the non-profit publications of Canada would he not take a second look at that situation and give further consideration to those mailing rates.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, my definition of a non-profit publication is a publication that does not make a profit; but the majority of non-profit publications seem to think the definition is that they should make considerable losses and that these should be chargeable to one government department or another. In my opinion a non-profit organization is an organization that makes neither losses nor profits. If a non-profit organization is suffering and needs subsidies from the government to continue with its own purposes and objectives, I think that it should apply openly to the government department from which it needs assistance and that such assistance should not be hidden in the mail rates that are paid by the taxes of the Canadian people.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. Perhaps we could go on to the next subject. The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mine was a supplementary to the original question, Mr. Speaker.

CONSUMER AFFAIRS

MONOPOLISTIC CONTROL OF SERVICE STATIONS

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Consumer and Corporate Affairs. He will no doubt recall that on February 19 last I asked him whether he had seen the report of a three year study in Alberta which pointed out the monopolistic control large oil companies have over service stations. The report is alleged to state that this situation arises in all parts of Canada. I asked him whether he had seen the report and what steps he intended to take with regard to the revelations in its. At that time he said he had only had reports about it. Perhaps now he has studied it and could answer my question.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs: Mr. Speaker, copies of the report have now been received from Alberta, and have been referred to the research division of the Combines Investigation Branch. The report, consisting of some 700 pages, is receiving very close analysis by that division. As the report contains some 700 pages the analysis will take some time but the study is continuing. I have also referred copies of the report to the Economic Council of Canada, in that the Alberta report appears to deal with many of the same aspects of that particular industry that were dealt with by the Restrictive Trade Practices T.B.A. report. The report was also referred specifically by the government to the Economic Council, because it was felt that there would be value

in the Economic Council having the Alberta report.

Mr. Lewis: I am very glad to hear about the steps that have been taken. I should like to ask the minister, in view of the possibility that the present act will not permit action against the companies in certain respects, whether the revelations in the Alberta report make changes in the present act even more necessary, and whether his department is giving careful consideration to this.

Mr. Basford: Mr. Speaker, as I have said we are giving very careful consideration to the report itself. In so far as the report may indicate that the present Combines Investigation Act should be amended, we will consider that situation. I have made it clear however in the past, as did my predecessor, that we do not anticipate amendments to the Combines Investigation Act until such time as the Economic Council reports on competition policy, at which time I would hope to be able to bring in a complete revision of the act.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. Would the minister say whether it will be the intention of his department to consider seriously some of the specific recommendations of the inquiry, such as a bill of rights for operators, more favourable lease arrangements and the right of operators to determine their own hours of business.

Mr. Basford: All of those aspects of the report are being examined by the research division which I mentioned earlier.

[*Translation*]

REGIONAL DEVELOPMENT

RECOGNITION OF SHERBROOKE AS DESIGNATED AREA

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the future Minister of Economic Regional Development.

Could he tell the house whether his program intended to abolish regional disparities will be amended in such a way that the Sherbrooke area and some neighbouring areas will be considered as special areas?

Mr. Speaker: Is not the hon. member aware that the scope of his question is somewhat too broad and is calling for a statement of principle from the minister? Therefore it cannot be accepted at the moment, but should the hon. member deem it urgent, he could give me notice of it and we could discuss it on the adjournment motion.

[*English*]

P.E.I.—DESIRABILITY OF COMMITTEE REPORT BEFORE CAUSEWAY REJECTION STATEMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. Would he now practise in this house the principle of dialogue and discussion which he so glowingly referred to last night when addressing a group which I shall refer to as a group decorated for having skirmished successfully with the war on poverty. Would the right hon. gentleman agree there is a benefit to be derived from securing the opinions of standing committees before irrevocable decisions are made such as that contained in the announcement he made yesterday with regard to Prince Edward Island, without having sought the views of the Standing Committee on Transport which visited the Island and was in the process of completing a report which undoubtedly would have dealt with this matter.

Mr. Speaker: Order. The hon. member's question is not acceptable. It is a question asking the Prime Minister to express his opinion about the value of decisions made before reports are given by a committee. The question is academic, philosophical and rhetorical.

Mr. Baldwin: May I rephrase the question, Mr. Speaker. In the light of what happened, does not the Prime Minister consider it would have been advisable to have waited?

Mr. Speaker: The supplementary question is argumentative.

HEALTH AND WELFARE

MEDICARE—INTERVENTION OF R.C.M.P. FOLLOWING THREAT OF PLAN OPPONENT

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of National Health and Welfare. Did the minister send the Royal Canadian Mounted Police to interview a person who called his office this week to object to the federal medical assistance plan.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I was informed that there was a gentleman who

came to my office to make certain threats against my person. As a result, an initiative was taken by my office to report the matter to the R.C.M.P.

Some hon. Members: Oh, oh.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You are going to be busy.

SPORTS

PRESENCE IN GALLERY OF CANADIAN MEDALLISTS IN MEXICO OLYMPIC GAMES

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, with the permission of the house I wonder whether I might acknowledge the presence in the gallery of seven of the eight persons who won medals for Canada in the Mexico Olympic games.

Some hon. Members: Hear, hear.

Mr. Hees: Where are the horses?

Mr. Munro: The horses are outside.

Mr. Hees: Are they on the payroll?

Mr. Munro: If I might make a few comments: The Prime Minister, as the house knows, immediately following the games expressed the thanks of Canada to these fine athletes for their performance at Mexico. However, since that time the government has not taken the opportunity to show some expression of gratitude for the magnificent efforts of these athletes. I am pleased to say that we will be rectifying this situation tonight, when I will have the privilege of hosting a banquet in their honour on behalf of the Canadian government. They have contributed a great deal to national unity and provided tremendous incentive to sports throughout the country. I am sure all members of the house join with us in honouring them today.

Some hon. Members: Hear, hear.

HEALTH AND WELFARE

MEDICARE—INTERVENTION OF R.C.M.P. FOLLOWING THREAT OF PLAN OPPONENT

Mr. G. H. Aiken (Parry Sound-Muskoka): A supplementary question. In rising might I take the opportunity of joining with the minister in his greetings to these very eminent sportsmen from Canada. The minister was rather fortunate to have a pleasant announcement to make in answer to a question I put to him which was rather unpleasant. Therefore, I should like to ask a supplementary question. Will the minister undertake to the house to give a report as soon as possible on the circumstances surrounding the investigation of the person who made a complaint to his office in connection with the federal medicare plan, and will the minister explain why the same day the mounted police were sent to interview this person?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker—

Mr. Speaker: Order, please. I am not sure this is a matter of urgency. I do not want to cut off the inquiries being directed to the minister by the hon. member but I doubt whether this is the type of matter about which a question can be asked at this time. However, the first question having been allowed, I should allow the minister to answer the supplementary question.

Mr. Munro: Mr. Speaker, I believe the hon. member is simply referring to a person who has indicated in the past—

Mr. MacInnis: Order. You have been ruled out on that.

Mr. Speaker: Order. If the hon. member will allow me, I indicated that the first question having been allowed, perhaps the minister might be permitted to reply to the supplementary.

Mr. Munro: There is a long history concerning this person's unhappiness with the federal medicare plan.

An hon. Member: He is not the only one.

Mr. Munro: He expressed his dissatisfaction, and in the course of so doing made some threats against me that he said he was going to carry out. This is what was reported to me. My executive assistant felt it incumbent upon him to report this matter to the R.C.M.P., which he did. They called and questioned the man, and as far as I am concerned that is the end of the matter.

Hon. George Hees (Prince Edward-Hastings): A supplementary question. What did this man say he was going to do?

Mr. Munro: Oh, he said he was going to kill me—or something.

Mr. Hees: That is not enough!

Mr. Speaker: Order. Does the hon. member for Parry Sound-Muskoka feel that the matter should be carried further? I really have some doubts as to the propriety of pursuing this question further.

Mr. Aiken: A supplementary question to another minister, Mr. Speaker. I had intended to ask the Solicitor General this question but, although he is supposed to be here, he is not. I therefore ask the Minister of Justice whether he has been asked to investigate the particular matter I have just raised.

Hon. John N. Turner (Minister of Justice): I have not, Mr. Speaker, but I am always willing to protect the Minister of National Health and Welfare.

Mr. Speaker: Order, please. Would the hon. member for Parry Sound-Muskoka resume his seat. With great deference to the hon. member, I have serious doubts as to whether this is the kind of question that can be asked at this time. Only very few minutes are allowed hon. members in which to direct questions to the ministry. The hon. member has asked three questions on the subject. If he feels this matter should be pursued further, I wonder whether he might not put it down for discussion at the time of adjournment.

Mr. Aiken: On a point of order, Mr. Speaker: In connection with the answer of the Minister of Justice, do I understand the minister to say that he has at this moment no knowledge of this matter?

Mr. Turner (Ottawa-Carleton): That is correct, Mr. Speaker. The R.C.M.P. report to my colleague the Solicitor General, and he has not mentioned it to me.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF DISPUTE WITH ARTEC

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I address a question to the Minister of Labour. In view of the contents of the conciliation board report, which in effect asks the C.B.C. not to hide behind so-called federal government guide lines and virtually invites the ARTEC union to take a strike vote, would the minister advise the house what steps he has taken to bring the two parties together, and has he made any representations to the C.B.C. or his deskmate?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, it is not the intention of the Minister of Labour to interfere with the free collective bargaining process. The conciliation board report was tabled in my department, and released. Both parties are free to have recourse to the law; that is, the unions are free to go on strike on March 12. The Minister of Labour has at this moment no intention of interfering, whether the union stays on strike for three or four months or whether the C.B.C. decides to lock out the unions for three or four months. This is the purpose of the act.

Mr. Benjamin: A supplementary question to the minister, Mr. Speaker. Would the minister be willing to use his good offices to prevent a strike occurring in our national broadcasting network?

Mr. Mackasey: Mr. Speaker, I do not think such action is necessary. Both sides have complied with the law. They have gone through the conciliation board stage. They have had long and extensive hearings before the conciliation board, chaired by a very competent chairman who made a very impressive and far-reaching report. It is now up to both sides to resume bargaining directly with each other.

[*Translation*]

LABOUR RELATIONS

MONTREAL—DISPUTE BETWEEN SHIPPING FEDERATION AND LONGSHOREMEN

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to ask a supplementary question concerning negotiations that have been going on for a few days about the situation in the port of Montreal.

Could the minister tell us where the negotiations stand in the dispute between ship owners and the dockers of the port of Montréal?

[*English*]

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the negotiating team of the Shipping Federation and the longshoremen will be resuming negotiations tomorrow before the conciliation board, chaired by Judge Gold.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, has the minister held conversations within the last few days with the two parties involved in this dispute?

Inquiries of the Ministry

Mr. Mackasey: I have had many conversations in the last few days with individuals connected with the shipping industry, directly or indirectly.

Mr. MacEwan: The Montreal *Gazette* does not say that.

[*Translation*]

NATIONAL DEFENCE

OTTAWA—BREAKING OF SOUND BARRIER BY MILITARY AIRCRAFT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I had a question for the Minister of National Defence, but in his absence, I direct it to the Prime Minister.

Last night at about 2 a.m., people in the township of Nepean were awakened by aircraft noise, and as the Nepean police reported after an investigation that it was caused by jet aircraft from the Bagotville Air Force Base making supersonic flights over the Ottawa area, I ask the Prime Minister if, in the absence of the Minister of National Defence, he would investigate and see that this does not happen again?

Mr. Speaker: The hon. member has made his representation and should consider that the responsible minister has taken it as notice.

[*English*]

REGIONAL DEVELOPMENT

P.E.I.—REJECTION OF CAUSEWAY—REQUEST FOR STUDY BY STANDING COMMITTEE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to pose a question to the President of the Privy Council. Since the Prime Minister indicated yesterday that he would have no objection to a full disclosure of the facts regarding the Prince Edward Island causeway studies, and the facts upon which the cancellation of this project was based, can the minister indicate by what means and when this subject will be referred to the Standing Committee on National Resources and Public Works.

Hon. Donald S. Macdonald (President of the Privy Council): I am prepared to discuss this with my colleagues. As the hon. member probably knows, after today four opposition days will remain until the 26th day of this month. If the hon. member and others would like to discuss this, it may well be that we could use one of the opposition days for this purpose.

[Mr. MacEwan.]

P.E.I.—EFFECT OF CAUSEWAY REJECTION ON DEVELOPMENT PLAN

Mr. Melvin McQuaid (Cardigan): I have a supplementary question for the Prime Minister. I wish to ask him whether the government assessed the effects which the abandonment of the causeway project would have on the successful implementation of the comprehensive development plan.

Right Hon. P. E. Trudeau (Prime Minister): As I said yesterday, the government had a very difficult decision to make. We do not have sufficient funds to proceed at the same time with the causeway and with the FRED program, and in assessing both projects we decided that funds were more urgently needed for the FRED program than for the causeway.

I might add while I am on my feet that I understand there has been some misunderstanding as to whether the decision was taken in conjunction with the government of Prince Edward Island. I thought I had made it quite clear in my statement when I said we had consulted the government of the province, as we are always exhorted to do by all sides of this house, but that the decision was ours. We are the ones who decided not to proceed with the causeway. In this connection I am sure there will be an opportunity at some time or other, as suggested by the house leader, to look into the facts and figures.

In making this decision we assessed the future over the next 60 years or more and we considered whether the causeway was feasible or whether it could be paid for in any terms comparable to the cost of a ferry service. We reached the conclusion that the ferry service was considerably cheaper than building a causeway. That was the basis of our decision.

Some hon. Members: Oh, oh.

Mr. Trudeau: The "oh" I hear from over there will perhaps be changed to "ah" when the hon. members have an opportunity to look at the figures.

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Prime Minister. Since he and his government have abandoned the causeway and consigned the people of Prince Edward Island to 60 years of ferry service, will he assure the house that the Canadian National Railways current proposal for a 50 per cent increase on those ferry rates will also be abandoned?

Mr. Trudeau: The hon. member obviously misunderstood or misinterpreted what I said. When we speak of 60 years we speak about the possible length of time during which a causeway would be serviceable, and we used a costing process over a period of 60 years to compare the capital investments required for one type of crossing as opposed to the other. It is this comparison which led us to base our calculations on a period of 60 years. We assume that any causeway which would be built would last approximately 60 years.

Does the hon. member have a problem?

Mr. Horner: You are opposed on both sides of the house.

P.E.I.—COMMUNICATION FROM PREMIER ASKING REVIEW OF CROSSING PROJECT

Mr. David MacDonald (Egmont): I have a supplementary question, Mr. Speaker. In view of the importance of this project which was acknowledged earlier by two previous governments to the people of Prince Edward Island, has the Prime Minister received today an urgent communication from the premier of Prince Edward Island asking for an immediate personal review of the decision to scrap the crossing project? If he has received this communication, could he indicate the nature of his reply?

Right Hon. P. E. Trudeau (Prime Minister): I know of no such communication, but if I had received one—and this is hypothetical—I can tell the house what my reply would have been. I think no one in this house or in Prince Edward Island thinks that we prefer not to build the causeway and that we prefer to make the people cross by ferry. The decision is based on the matter of cost. There is no hidden preference on our side for seafaring vessels as opposed to wheeled vehicles. We chose the cheaper method of crossing, because this is what the country can afford at this time. This is how I would answer any such hypothetical communication.

Mr. MacDonald (Egmont): Mr. Speaker, I have a further supplementary question. In view of what seems to be some disagreement on facts between the government of Canada and the government of Prince Edward Island, and the importance of having a full discussion and disclosure, as the Prime Minister agreed yesterday, of all the facts of the situation, would the Prime Minister not agree that the place for such a review would not be in Committee of the Whole or in the house where there could only be a very limited debate, but rather in the Standing Committee on National Resources and Public Works? Would the Prime Minister indicate when this matter might be placed before the committee so that a complete and satisfactory discussion could take place.

Mr. Trudeau: I will let the house leader discuss with the leaders of the other parties what place would be the most appropriate to present this information and to allow for a full dialogue.

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question for the minister of regional economic expansion. Will the government announce a development program for eastern Quebec, New Brunswick, Nova Scotia and Newfoundland in the near future and will such agreements be made despite the fact that these provinces do not have trading stamps in the form of causeways?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, some arrangements have already been signed with Quebec and New Brunswick, and we do not intend to sign any other.

[*English*]

Mr. D. W. Groos (Victoria): I have a supplementary question, Mr. Speaker. May I ask the Prime Minister on behalf of the people of Vancouver Island who have been consigned to a permanent situation of being dependent on the ferry service and who will be required to pay in part for the FRED program, and will do so willingly I am sure, if he will assure hon. members opposite that ferry services can be quite adequate.

An hon. Member: You will get your medal for that.

Another hon. Member: You turned state evidence.

P.E.I.—REJECTION OF CAUSEWAY—AVAILABILITY OF REPORT OF MARITIME HEARINGS OF COMMITTEE

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the Prime Minister. When the matter of the causeway is discussed either in this house or before some committee would he ask the house leader to make sure that the evidence taken before the Transport and Communications Committee on its recent trip to Prince Edward Island for this purpose is available?

Right Hon. P. E. Trudeau (Prime Minister): I am sure that that would be quite easy to arrange and I think there would be no difficulty in giving such an undertaking. However, I think that if we want to have full information on this matter by way of comparative costs we might ask the opposition to come forth with the figures they have in mind when they suggest we build a tunnel between Newfoundland and Labrador.

Hon. Robert L. Stanfield (Leader of the Opposition): On a point of order, Mr. Speaker. The Conservative opposition has never—

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order, please.

Mr. Stanfield: The Prime Minister made a deliberate misrepresentation here today. He has made similar misrepresentations in the past and I challenge him to produce the slightest evidence that this party ever made a commitment to build a causeway between Newfoundland and the mainland.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker—

Mr. Speaker: Order, please. I realize the Leader of the Opposition wishes to rise on a further point of order but I wonder whether he should go on with the subject much longer. I see a number of hon. members who want to ask supplementary questions on this point. If hon. members think that the rest of the question period should be devoted to this question, I have no objection but I have some doubts that this is the will of all members of the house.

Mr. Baldwin: Mr. Speaker, I rise on a point of order—

Mr. Trudeau: I wish to speak on the same point of order, Mr. Speaker. I have been accused of deliberate misrepresentation and I would like to tell the house that I am sorry, I thought they spoke about a tunnel, but I understand now that they meant a causeway.

Mr. Stanfield: On a point of order, Mr. Speaker, I suggest this is a serious matter, because this is the Prime Minister of Canada.

Some hon. Members: Hear, hear.

An hon. Member: You wouldn't think so.

[Mr. Nesbitt.]

Mr. Stanfield: I say again that this party has never made any such commitment to build a tunnel, a causeway or any other form of such crossing and that this assertion by the Prime Minister is a deliberate misrepresentation.

Some hon. Members: Withdraw.

Mr. Speaker: Order. I suggest to hon. members that the debate on points of order and associated questions is perhaps getting somewhat out of hand, and we are beginning to use rather strong language. I do not think there is really any purpose in pursuing the matter much further, because we have reached a point where the situation is possibly getting a bit out of control. I think we might drop the issue for the moment.

Mr. Baldwin: On a point of order, Mr. Speaker. I agree with Your Honour precisely, and for that reason I want to make this remark. Your Honour quite properly refuses to allow questions which are out of order when members of opposition parties ask them. Equally, Your Honour should direct spokesmen on the government benches and the Prime Minister to be responsive to questions which are asked.

Mr. Trudeau: On a point of order, Mr. Speaker, I believe I answered the question which was put to me.

An hon. Member: Withdraw your remarks.

Mr. Trudeau: Perhaps I should tell the house that when I suggested that the opposition come foreword with figures as to the cost of either a tunnel or a causeway, as the Leader of the Opposition now says, I was being facetious. I do not really insist that the opposition come forward with those figures.

Mr. Speaker: Order. The answer given by the Prime Minister seems to confirm my view that we are not achieving very much by pursuing points of order, the question of privilege, or the discussion which was raised originally by the hon. member for Malpeque. Perhaps hon. members will agree that I should call upon the hon. member for Vancouver-Kingsway.

The hon. member for Gander-Twillingate says he has a sensible supplementary.

Some hon. Members: Hear, hear.

Mr. Speaker: Perhaps the hon. member might ask his sensible supplementary question briefly; hon. members at the other end of

the chamber have been anxious to put questions and I think I should be allowed to call them.

Mrs. MacInnis: I have neither a sensible supplementary nor an explosive question, Mr. Speaker.

Mr. McGrath: I wish to rise on a point of order to set the record straight and to tell the government and the Prime Minister that their friend the Premier of Newfoundland has undertaken such a study as to the feasibility of a tunnel across the strait to Bell Isle. I suggest the right hon. gentleman should consult with his friend in Newfoundland as to the feasibility of the project.

Mr. Speaker: I have to rule that that is not a point of order but a matter of debate. We may shortly have to call on the Olympic team to come into the house and see that order is maintained.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, this is the sensible supplementary I was promising. It is directed to the Prime Minister. Would he give the house an undertaking to hold discussions with Premier Joseph R. Smallwood in connection with this causeway to check the feasibility of the project, possibly using his own skin-diving techniques to investigate it at first hand before the seal hunt finishes?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I cannot agree with the hon. member's appreciation of his question.

CONSUMER AFFAIRS

HEARING AIDS—INQUIRY AS TO AVAILABILITY OF REPORT

Mrs. Grace MacInnis (Vancouver-Kingsway): This question is not an explosive one, Mr. Speaker, but it is of interest to more people in this country than even the causeway. It is directed to the Minister of Consumer and Corporate Affairs. Some time ago I learned from the department that a study was to be made on the subject of hearing aids.

Some hon. Members: Oh, oh.

Mrs. MacInnis: It is a good thing this is funny to a lot of members in this house, because it is not funny to many people across this country. I understood the report would be available early in 1969. I should like to ask the minister today when the report will be available and whether the public will be able to have access to the facts contained in that report.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I have not heard recently from my officials with regard to this report.

An hon. Member: Louder, please.

Mr. Basford: I know they are working very hard on this examination of the manufacture and distribution of hearing aids, and I hope to have a report very soon. I share the hon. member's concern about this problem and agree as to its importance. When I receive the report I shall have to examine it, as I told the hon. member previously, to determine what portions of it may be made public. I would hope to make as much of it public as possible.

Mrs. MacInnis: May we hear about it soon.

COMMUNICATIONS

NEGOTIATIONS BETWEEN FRANCE AND QUEBEC RESPECTING SATELLITES

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Secretary of State for External Affairs, Mr. Speaker. I refer to a statement made by the minister yesterday and to previous statements made by him concerning an exchange of letters between Quebec and France on the subject of co-operation in the field of satellite communication. Since the position of the Government of Canada is that no agreement of this question can exist between Quebec and France which has international status, will the minister say whether the federal government intends to take action to prevent the implementation of this aspect of the letters and, if so, what action does the government plan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I think it is sufficient to say that this is not an international agreement in that sense, and everything flows from that statement.

EXTERNAL AFFAIRS

DIPLOMATIC EXCHANGE WITH THE VATICAN

Right Hon. J. G. Diefenbaker (Prince Albert): My question arises out of the participation of the Secretary of State for External Affairs in a kind of trialogue on Ten Million Questions.

An hon. Member: Twenty million.

Mr. Diefenbaker: Twenty million?

An hon. Member: What's ten million?

Mr. Diefenbaker: I halved the number. The minister was in great difficulty during the course of the discussion. Among other things he said it was the intention of the government to bring about an exchange of diplomatic representatives with the Vatican. Then he went on to point out that he was greatly surprised by the large volume of objection to such a proposal. I now ask the hon. gentleman, in view of the statement made by the Prime Minister when the subject came up originally—I asked him about it and suggested that four prime ministers had contributed to dividing the country—

Mr. Speaker: Order, please. I wonder whether the right hon. gentleman would come to the question.

Mr. Diefenbaker: I have been led astray today by the Prime Minister—by the manner in which he wandered so far afield. May I ask the minister now whether, in view of this very large volume of objection which comes from all the provinces and all religious faiths, the government has decided not to go ahead with the exchange of diplomatic representatives with the Vatican.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Perhaps I may remind the right hon. gentleman of something else I said on that program, when I referred to the large volume of adverse mail in connection with the proposal to approve a new Canadian flag. It might have pleased him at that time, but the rest of us were inclined to believe that the mail then did not really represent the views of the people of Canada. And today we have a new Canadian flag of which we are very proud.

To answer the specific question, no final decision has yet been made as to whether we will proceed.

Mr. Diefenbaker: Mr. Speaker, I can read from the record what the minister said. I ask him now, is the government giving consideration to departing from its original plan to bring about an exchange of diplomatic representatives?

Mr. Sharp: Mr. Speaker, as the right hon. gentleman will no doubt remember, the Prime Minister, when he announced he had discussed this matter with His Holiness the Pope, said he hoped there would be some discussion of the matter and that the government would then take a decision. That decision has not yet been finally taken.

Mr. Speaker: Order, please. I must bring to the attention of hon. members that, unfortunately, the question period expired some minutes ago. I regret very much that some hon. members who wished to ask questions did not have the opportunity to do so. I have a mental note of them and will give them priority on future occasions.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: Is the President of the Privy Council rising on a point of order?

Hon. Donald S. Macdonald (President of the Privy Council): No, Mr. Speaker, I thought it would be helpful if I could make my weekly announcement of the business for the coming week.

Mr. Speaker: Is that agreed?

An hon. Member: No.

Mr. Speaker: Order, please. Orders of the day.

Mr. Trudeau: Somebody is being facetious over there. One should not be facetious in the House of Commons.

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker. I believe it has become a custom and almost a rule of the house that on Thursdays the opposition house leader rises to ask a member of the government to make an announcement of the business to be considered during the ensuing week, after which an announcement of forthcoming business is made.

Mr. Trudeau: But today there is no agreement.

Mr. Speaker: That has been my understanding of the rules. But if there is objection to the minister's announcement I doubt whether the Chair can override that objection. I hoped hon. members would agree to having the announcement made, because I suggest it is to the advantage of all hon. members to hear forthcoming business announced.

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, as announced a week ago today, the business for tomorrow will be item 25 on the order paper, Bill C-138, to amend the Bretton Woods Agreements Act. That is to be followed by item 43, Bill C-157. Then we shall take item 7, Bill C-112.

On Monday and Tuesday of next week we will call again the government reorganization bill, to completion. On Wednesday and Thursday of next week we will call the drug prices bill, that is, the amendments to the Patent Act, the Trade Marks Act and the Food and Drugs Act, to completion. On Friday next we will call first the bill with respect to the Statute Law (Superannuation) Amendment Act for second reading, notice of which is being given today, to be followed by Bill S-15, for second reading.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the minister whether the bill to amend the Statute Law (Superannuation) Amendment Act will be introduced and given first reading early in the week, so that we may see the contents of the bill and be prepared to debate it?

Mr. Macdonald (Rosedale): Mr. Speaker, that bill will come forward for first reading on Monday next, unless hon. members wish to abridge the rules so that it can be given first reading tomorrow. Normally, first reading would take place on Monday.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (11)—ALLEGED DENIAL OF FUNDAMENTAL RIGHTS TO NATIVE INDIAN PEOPLE

Mr. Frank Howard (Skeena) moved:

That in the opinion of this House the government, in spite of successive admissions of its failure to deal adequately with the various social and economic problems confronting our native Indian people, is following a course which threatens to perpetuate the denial of fundamental human rights and freedoms, to continue the destructive effects of paternalism, and to maintain discrimination based upon a cultural inheritance together with a general negation of human dignity and respect for our native people.

He said: Mr. Speaker, today's debate on Indian affairs is being promoted mainly because it has been a number of years since

parliament has had a reasonably full opportunity to express its views about the entire matter of Indian affairs and government activity in that field. Because of general elections and manoeuvring that has taken place from time to time between various levels of government and the committee of the house interested in Indian affairs, a number of obstacles prevented our committee from examining in full various aspects of Indian affairs which ought to have been examined. Although members of that committee wished to visit Indian communities and see for themselves how Indian people lived, they were frustrated in their hopes and the expected visits did not materialize. Members of that committee wish to examine matters affecting our Indian peoples in detail. Many of them feel that various levels of government have interfered with the operation of the committee and we therefore welcome the opportunity for the present debate. We hope to have on record a clear announcement of government policy with respect to many areas of activity involving our Indian peoples, and the views of hon. members of this house on this extremely important subject.

It may be well to take a brief look at the history of the treatment we have accorded our native Indians. From the time of Confederation, the British North America Act decreed that land preserved for our Indians would be under the exclusive jurisdiction of the Parliament of Canada. That provision was a mistake. It drew a political line between our Indian population and the rest of Canada. In so many words it recognized that in this country there were two classes of people, the native Indians, to whom one standard of law applied, and the rest of the population, to whom another standard applied. Our native Indians were relegated to the status of second class citizens, and the basis for the discrimination which has persisted over the years was established.

I am sure that those who are aware of our history in this regard are ashamed. I know that deep in his heart the minister is ashamed of our history, although I hasten to say that in no way is he nor any hon. member here, personally responsible for what has happened. That does not alter the fact that Canadian society as a whole has discriminated against our Indians on an ethnic and cultural basis.

I hope the minister will realize that what I am about to say is not meant unkindly. I am sure he would be among the first to rebel if the situation that applied to our Indians were to apply to our French speaking peoples. He

would object to a "French Act" setting the French speaking peoples of our country apart from the rest. Not only the minister but all others of his cultural and linguistic group would have rebelled a long time ago against the provisions of any such "French Act", particularly if, for argument's sake, to take the situation in reverse, it were administered by Indians. Instead we have an Indian Act administered by non-Indians.

• (3:00 p.m.)

The Indian Act gave birth in 1867 to a system of paternalism which has been like a fungus growth that unfortunately is still with us today and still growing. We need more than the pious declarations and fine speeches which have been made in recent times about the necessity of cutting out this and eliminating that. As the minister knows, words come easy. I have listened to statements by the minister and have read statements by the hon. member for Port Arthur (Mr. Andras). I have listened to the late Guy Favreau, to Senator Tremblay when he was the minister and to Mr. Nicholson, the Lieutenant Governor of British Columbia, when he was minister. They have all said the same thing, but what we need is action.

As long as we have an Indian Act, a special law relating to people with a different cultural inheritance from everybody else, and as long as we have a separate department, we will have discrimination and denials of fundamental human rights. We will have interference with the mutual esteem and self-respect which people need to have for one another. Our society must have as its foundation respect for the quality of life and the dignity of the Indian. Every Indian must be able to have self-respect and to feel proud of himself and his culture. Is this not what our social order and society are all about? If so, what is this government doing to attain this objective?

We in this party have suggested for a long time that the objective of the government and the Minister of Indian Affairs and Northern Development must be self-destruction of the department and the minister's position. The minister must seek to work himself out of a job and become unemployed as a minister in charge of a department which provides support and special status to a group of people. This is what the minister and the government must do. I hope the minister accomplishes this objective. Predecessors of the minister stated they had this objective, but in recent years a number of them by the inflation of their own competence have become senators, a Lieutenant Governor and even Minister of Public Works. None of them accomplished in the slightest way even a minor step toward the major objective of equity of position and rights for all people in Canada.

Quite frankly I do not know whether the objective will be attained during the present minister's time in charge of the department. All indications so far are that he will not suceed. I and many other people read with interest the minister's speeches as they are ground out by his department, but so far I have not read any announcement of government policy regarding this objective. There have been platitudes and concern expressed with a feeling of emotion in these speeches but no declaration of policy or intention. I am sure the minister and the government have had ample time to come to a conclusion on this fundamental matter.

I am sure the minister knows personally of empire builders within his department. He would not be worth his salt as a human being if he did not know they exist. There is a Parkinson's law concept in the department in the perpetuation of an administrative structure for no other purpose than that the administrators can maintain their comfortable positions and pretend to be doing a great deal while accomplishing nothing in a meaningful sense so far as native Canadian Indians are concerned.

The growth of the Indian affairs branch in recent years has been almost phenomenal. The minister provided me with information for April of 1962. At that time, just six years ago, the staff of the branch numbered 2,325. Today it is 3,175, an increase of more than 800 people. In the fiscal year 1962-63 the department had an expenditure of approximately $51 million. In 1967-68, the last full year for which I have figures, the amount was $122 million, more than double. What does this mean in terms of per capita expenditure by the department in relation to the native Indian people who have status under the Indian Act? I am not relating it to the total number of native people because that is a much higher number. In 1962 the government expended $250 per native Indian per year. In 1967 that figure had risen to $530 per year per man, woman and child. In a family of six, father, mother and four children, the expenditure made by the department per year on that basis would be $3,180.

• (3:10 p.m.)

This growth in expenditure has been lauded by the government. We remember how the previous minister, now the Minister of Public Works (Mr. Laing), used to gloat about how much money was being spent, as though that was the most commendable thing that had ever happened. He never said anything about what was accomplished. He never talked in terms of value received by the native people, and I have not heard the present minister deal much in those terms either.

There is no virtue in building a bigger bureaucracy. There is no virtue in being one of the last of the big-time spenders in terms of public funds. If the Indian people do not care what you spend they are concerned about what you accomplish. This is what society is concerned about too, and it is what this parliament is concerned about. When I talk about what is being accomplished I am thinking in terms of accomplishment not as the department has considered it, doing things for the Indian people, but rather accomplishment in getting out of the business of doing things for these people, getting out of the business of interfering with them because you have done too much already and most of it has been bad.

Again we have only a few statistics to which we can refer. These are official statistics from the Indian Affairs Branch. There may be later ones but if there are I do not think the situation has changed very much in the interim. Here is what has been accomplished. I am trying to explain how the native people themselves view the situation, how they live, what they feel, what they go through, what they know from their very existence to be the case although they probably cannot put it in statistical form but rather know it because they have lived through and have died under this system.

In the field of health, for instance, not too many years ago, in 1963, the average age of death of native Indian men was 33 years. For non-Indian men it was 60½ years, almost double the life expectancy of Indians. For native Indian women the average life expectancy in 1963 was 34 years and for non-Indian women it was 64 years. Again the ratio is almost double. Most of the deaths of native Indian people arose from causes which were preventable such as colds, pneumonia, bronchial afflictions and accidents. Their deaths were caused by their environment, by much poorer housing conditions, much poorer sanitation conditions, much poorer health measures, and fewer of the amenities of life that the rest of us have.

Their income is a pretty sad picture too, as the minister will admit. Again these are 1963 statistics. There may be later ones but I do not think they will show a much different situation in terms of the total picture. In 1963, 50 per cent of the native Indian families in this nation earned less than $1,000 a year and 75 per cent earned less than $2,000 a year. Of a total of 31,300 families the average income was $1,600 a year. Yet the government spends almost twice that much per family in expenditures by the Indian Affairs Branch.

The government could very easily wipe out the Indian Affairs Branch. Of course it would throw all those people out of work, but I am sure some other government department might be able to absorb them. Some of them might even have to go to work, which I realize might be a traumatic experience for them. Nevertheless, we could wipe out the Indian Affairs Branch today and give every native person $530 a year, every man, woman and child, which would mean that Indian families would receive almost twice the amount they receive today. I only use this as an example of what might be done.

Quite frankly, I say again, Mr. Minister, that the sooner you get out of this business the better. I do not mean out of the government because you may have a great capabilities in some other department—

Mr. Speaker: Order. The hon. member should address his remarks to the Chair. I assume the remarks he has just made were not addressed to the Chair.

Mr. Howard (Skeena): Mr. Speaker, I got so carried away that I bypassed the Chair for the moment. My remarks are always through you, sir, to others. The sooner that the minister gets out of this business, the better off our native Indian people will be.

The services that exist in Indian communities are terribly shocking. The Indians suffer from a tremendous lack of electricity, water, sewage facilities, plumbing, streets, roads, street lights and all the other facilities and social services that exist in the rest of Canada. By and large, to a tremendous extent these are denied our native Indian people. This is a national disgrace, as I am sure the minister will agree. It is a shocking thing to have to listen to and to read about. It is even more shocking to visit Indian people in their

own homes and see the terribly depressing and horrible conditions under which they live in this day and age, at a time when the government is squandering almost $3,000 per native Indian family per year. The native people know this and they wonder what is happening. They wonder why the money being spent by the department does not trickle down and show up in the quality of their daily lives. Surely we should be concerned and incensed about this.

The other night the hon. member for Scarborough East (Mr. O'Connell) addressed a meeting in one of the public buildings in Ottawa. Regretfully, I was not able to attend as I had another commitment, but I read in the newspapers what he said. Generally speaking, he pointed out that there are a couple of obstacles to the betterment of life for Indians. One is that the provincial governments have not involved themselves in this field as much as they should. I am in complete agreement with the hon. member on that point. He said the other obstacle was the indecisiveness of the native people themselves. To say the least that was a slighting comment, because it tends to blame the Indian people for their own environment, and the hon. member knows that this is not so.

I would be surprised if the minister does not say, as he has already said, that everything is going to change now, that things are going to be different, that soon a new day will dawn. I hope he means this and that he will be able to accomplish it. The native people will then be able to go through that door which has been closed to them for so long. It will open up and they will be admitted into the just society, or whatever other phrase the departmental propagandists think is catchy at the time. But you cannot do by propaganda what you cannot accomplish by action. From recent articles in some newspapers I believe that the newspapers have been taken in by the propagandists in the minister's department. I do not know what structure the minister has for the distribution of information, in terms of the department's expenditures and the like, but it is fairly massive. It grinds out public relations and press information in somewhat the same way a factory would grind out fertilizer. That is about as imaginative a simile as I can think of for this situation.

• (3:20 p.m.)

Mr. Alexander: And it is appropriate.

[Mr. Howard (Skeena).]

Mr. Howard (Skeena): It is appropriate because much of it is simply fertilizer and I mean in the old-fashioned natural form. Probably the greatest single thing that has been done—and in a sense this is commendable—is the introduction of the so-called consultation process in which the government is involved. Of course, this was not something conceived by the minister. His predecessor developed it and started it off more than a year ago. This is something we have advocated for many years. In fact, it is something that many of us have personally put into effect. We have engaged in consultation and meetings with the native people in an attempt to obtain a fuller understanding of their feelings and needs.

Regrettably, even though in essence the consultation program is good, as a general program I do not think it has met the expectations of or been accepted by the native Indian people because it reflects again the bureaucracy of the department to a large extent. The questions were prepared here in Ottawa by someone somewhere in the department. The questions contained in the publication, "Choosing a Path", and the methods followed primarily revolve around the concept of keeping the Indian Act and the department in existence. The suggested questions and discussion contained within that booklet all revolve around the principle of changing the act, making amendments to it, altering it and adjusting it, but retaining it even though the name may be changed. In other words, the intention is to keep an apartheid type law on our statute books.

If that is still the objective of the minister it is one that is fraught with danger for the native Indian people because they can only look forward to further interference in their daily lives by people in the department who really do not have too much concern about human needs and human values. If it is to be the policy of government to maintain a separate law and separate act, this will interfere with the dignity of the individual. The native Indian people for 100 years have been trying to get out from under the thumb of a government or department set up particularly on a special cultural base.

The booklet, "Choosing a Path", which is the foundation of the discussion at the consultation conferences, regrettably seems to lean in the direction of the perpetuation of the system. Fortunately, as the minister is aware, at many of the conferences the native Indian delegates had a little more concern than the

department had about their own affairs and in some cases brushed aside the booklet and took the position that they would deal with it later if there should be time but that at that moment they would deal with other problems and choose the subjects. If the departmental officials or the minister had been able to go to these consultation conferences with the attitude that they had nothing to suggest and had asked the Indians to tell them, I suggest we would have been much better off.

Many native Indian people were insulted by the booklet, "Choosing a Path." Many of them were also amused. But the native Indian people were too polite to exhibit their amusement at what was presented to them. They would not express their amusement by laughing because they are seriously concerned about coping with serious problems. They did not mind giving the department and the government another chance, even though they had been saying these things for many years and even though they had been asking questions for years. Even though the Indians were sure in their own minds that no one had been listening to them over the years, they answered the questions again. Surely the questions about the liquor sections of the act have been answered so many times that it is almost laughable to think that they should even be asked them again. Surely the questions about the sale of farm produce on the prairies or the operation of farms by the minister have been answered so many times by the native Indian people that to present those same questions to them again in a booklet was virtually an insult to these people who have been declaring themselves about these matters for many years. Surely the question about classifying a child as a juvenile delinquent if he does not attend school regularly is undignified and an interference with free people. But other matters such as the Indian Claims Commission and education either were not mentioned or were glossed over in that document.

Mr. Speaker: Order, please. I must interrupt the hon. member to remind him that his time has expired.

Some hon. Members: Carry on.

Mr. Speaker: Apparently the hon. member has agreement of the house to continue beyond his allotted time.

Mr. Alexander: Tell it the way it is.

Mr. Howard (Skeena): Mr. Speaker, I do not wish to transgress upon the generosity of the house.

Mr. Alexander: You have my time.

Mr. Howard (Skeena): I shall curtail as much as I can what I think needs to be said. Many of the things I am saying are the same things the Indian people are saying. I am only trying to reflect in this forum the views the native people have about their own involvement in their own affairs. In the matter of education, to give an indication of how many native people have looked upon the consultation conferences and upon the government, many of them think this government is being deceitful in this regard. At the same time the consultation process was taking place and at the same time the minister and the departmental officials were sitting down asking for the views of the native Indian people about these things, the very important matter of education was being negotiated secretly with the provincial governments.

I do not know exactly when but some time last fall this house passed nine motions I introduced asking for the production of correspondence between the federal government and the provincial governments about educational matters. We have seen neither hide nor hair of it since. The native people continually ask me where the correspondence is that I was going to get. I have to reply that I do not know where it is. Then they say they would certainly like to know before the whole consultation process is over so that they will be in a position to express their views about something as fundamental as education. This situation has existed for some time. This information has been denied to them at the same time the consultation processes were being carried on.

The departmental reorganization program which the minister inherited from his predecessor was put into effect at the very same time a continuing consultation conference was being carried on with the Indian people. It is not possible to have two standards. The government is not credible when this is done. On the one hand they say they want to consult about something and on the other hand say they are not going to consult about it.

As the minister knows, the native Indian people have raised objection to the new construction within the department. They see in it a reversal of the trend toward decentralization. Surely this is something which should have been discussed with the native Indian

people while the consultations were going on instead of being imposed upon them. They ask questions about the double standard approach in respect of the involvement of the government in native Indian affairs. The situation is so silly that there is even a directive within the department to Indian superintendents and Indian agents in the field to the effect that they are forbidden to communicate with Members of Parliament and M.L.A.'s.

• (3:30 p.m.)

The minister shakes his head. Let us suppose that a native Indian person writes to me about a problem at home. I am here, 3,000 miles away. In many cases I write to the Indian agent on the spot and ask him to do something about the problem or to tell me what it is all about. Do I get an answer from the Indian agent? No, I do not. I get an answer from Commissioner Boys, who used to be the commissioner at Vancouver, and he is about 1,000 miles away from the complainant and does not know what it is all about.

I ask the minister to look at this sort of situation. What happens is that Mr. Boys does not write the letter that I receive; the Indian agent writes it. The Indian agent leaves the signature blank, puts the letter in an envelope, mails it to Vancouver, Mr. Boys appends his signature and then sends it to me. This sort of thing is a pretty picayune and miserable reflection on the attitude of the department which refuses to treat people like adults and human beings. I do not care that the Indian agent does not write to me because I can talk to him on the telephone, but surely the native Indian who has a problem with Indian Affairs is entitled to something better than a runaround through the mails. Whether this problem exists in other provinces, I do not know, but it certainly does in British Columbia and the situation is resented by the native Indian people.

I have to explain to individuals with problems that Mr. Boys in Vancouver has told me this and told me that, and they reply in language I cannot repeat here. Well, I could, but I expect *Hansard* would dress it up so that it would not be recognizable. The complainant asks me what Mr. Boys knows about the particular problem; he tells me Mr. Boys does not know anything about it. Mr. Boys would admit this because he is ensconced in an office 500 miles or more distant from the particular situation in question. There have been innumerable examples of this sort of thing but I have mentioned that one to indicate that a narrow view is taken by the department in such cases.

Our native Indian people are also concerned about economic activities and the lack of job opportunities which prevent their earning a decent living. They do not want welfare programs. They appreciate that it is destructive of human dignity to be asked to exist on the dole. Yet nothing else is offered. The department has not involved itself in any real way to provide opportunities for our native Indian people.

For example, in Prince Rupert this summer 1,000 to 1,500 workers in fish canneries will be put out of work because the canneries are closing down. Most of these workers are Indians. The minister heard about this when he was in Terrace for the wind-up of the consultation conference, and this was the first time the matter was brought to public light. So far we have not had a meeting of officials from Indian Affairs, the Department of Fisheries and the department of Manpower to try to do something for the individuals who will be put out of work this summer. These people are concerned about this situation, as they should be.

So far there has been almost absolute silence in regard to economic development programs. Many people have expressed the thought that, although action is taken in regard to cultural questions and individual problems, unless individuals and families are given the opportunity to earn a decent wage and do something meaningful in terms of work so they can earn a decent living their dignity will be destroyed. This is what we have been doing as far as the Indians are concerned for the last 100 years.

What has been taking place is nothing more than an invasion of the fundamental human rights of individuals. This has simply got to stop and it is the minister who must stop it. The native Indian people are not interested any longer in listening to fine speeches; they want something done now.

The native Indian people were very upset by what the minister did not long ago in regard to the summit conference, that was supposed to be held in Ottawa some time in January following the consultation conferences. Then it was to be some time in February. Then the date was set for today, March 6.

Mr. Orlikow: Next year.

Mr. Howard (Skeena): No, today, and then that was cancelled. Why? The minister said

that some of the people objected to it being held at this time, that they wanted it held over so they could examine what had been presented, and so on.

The native Indian people are also concerned about the Indian Claims Commission bill, and I should like to tie that into my remarks at this point. They consider that there is an element of deceit and falsehood on the part of the government. Last October the government put on the order paper a notice indicating it was going to introduce the Indian Claims Commission bill; I forget the exact date of the notice. Having been questioned about the Indian Claims Commission bill, the minister rose in the house and said he had taken the bill back. It had been hidden to start with. It was not given to the people at the consultation conferences. In any event, the bill was taken back for revision as a result of some of the views expressed and representations made at the consultation conferences.

Withdrawing the bill is fine, but it was accidental. Nobody at the consultation conferences had seen the Indian Claims Commission bill. They did not know what was in the government's mind but they accidentally hit upon some of the weaknesses in it. I should like to know how many more weaknesses are in the bill. Today the consultation conference in Ottawa was supposed to meet and we have not seen the bill yet. The minister shakes his head. Did the minister delay the conference because the bill was faulty? The minister indicates no. When is the bill going to be ready? The minister says soon.

My mother had a saying about "soon" which was related to a cat that we had. She called the cat a "sooner". It would sooner stay inside and perform the natural functions than go outside on a cold day. Soon does not mean anything, and I am sure the minister would not want to be classified as a sooner. The native Indian people want to know where the blazes this bill is. Is the minister having trouble getting it through cabinet, or with his associate minister? Does the Prime Minister (Mr. Trudeau) not agree with what has been presented in the bill? These are serious questions to which our native people want an answer.

I have talked with some of the people who were delegates to the conference that was supposed to have been held today. Two of them told me they may not even bother to come when it is held because they are so fed up with all the delay and procrastination. They have seen what has gone on at the consultation conferences and want no further involvement.

I was going to make some mention of housing which is a pretty serious problem for our native Indian people. One of the communities in my constituency has 30 families on a priority list waiting for houses. If you go to practically any Indian village in Canada you will find two or three families living in the same house. In fact, the word "house" is a euphemism. You see six or seven little kiddies sleeping in the same bed, and the same thing in another bedroom. People have to sleep on couches in the living room. Students are unable to do any meaningful homework in that sort of environment because conditions are overcrowded and youngsters are wandering around, as well as grandparents and parents. Too many people are living in the same house. Where is the quality of life here?

• (3:40 p.m.)

All these people are living in the same home for two reasons. The first is that the average income a few years ago was $1,600 per family. The second is that the government, through its departmental administrative structure, spends twice that much money per family which does not filter down to the people. Another problem is that these people do not have the opportunity to become meaningfully employed, to do some work and earn an income, because the government has failed miserably in its attempts to develop anything worth while in terms of job opportunities and economics.

The government says it is helping with its housing program and building homes for these people. Do you know, Mr. Speaker, what kind of homes are being built for elderly citizens, some of whom have to live by themselves in two-room shacks? These elderly people have difficulty getting around at the best of times, but the houses for them are built without inside toilets or running water. These people have to take a bucket and walk outside to the seashore because they do not have a sewer system or the amenities of life that we believe standard in our society. This is disgraceful.

The propaganda machine in the department grinds out propaganda about the houses being built and the money being spent on this program, etc., etc. But this money does not reach the individual human beings who live in this sort of environment. It is no wonder that

Alleged Denial of Rights of Native Indians

Ross Thatcher, the Premier of Saskatchewan, is reported to have said yesterday that a time bomb is ticking. That time bomb has been ticking for the last four or five years and its tick is getting stronger and stronger. So far neither I nor many native Indian people have seen any indication on the part of the government that it intends to do anything meaningful or worth while to cope with particular problems such as this.

The younger people are simply not content to go through the same sort of degrading and denigrating situation that their parents went through. They are no longer content to live in these places called reserves but which are nothing more than isolated economic concentration camps where there is no opportunity to realize the full benefits of our society. They are fed up with being treated and looked upon as a group apart from the rest of society. The hon. member for Kamloops-Cariboo (Mr. Marchand) will tell the government this, as he undoubtedly has. Ask any person of native Indian origin, and he will tell you the same thing. He is not interested in having his problems dealt with from the point of view of his cultural background. There is within the concept of our social order and within the concept of the department too much looking upon this situation as an "Indian problem". I put the words "Indian problem" in quotation marks. It is not an Indian problem; it is a social problem that confronts native Indian people to a far stronger degree than it does anybody else.

Native Indian people are underprivileged Canadians, far more so than any other single ethnic group in this nation. Their problems have to be coped with on that basis, as problems confronting people, problems confronting human beings. We have to develop within the department, within the government structure, something more than has been developed before. The government has to head in the direction of getting out of the business of interfering in other people's lives. It must provide them with the opportunity to realize those values of human dignity and quality of life that promote self-respect and enable the individual to have a feeling of pride and respect for himself as a human being. The native Indian has not had this opportunity up to now.

The government must embark upon a program which will provide people with opportunities to develop human freedoms, economic freedom, economic opportunity, work and not welfare. Only in this way can the native Indian have the advantage of the amenities of life and the services of our society. Only in this way can they appreciate these things and be on an equal basis with other Canadians.

The government has to deal with the human, fundamental rights of people on the basis that they are Canadians first and that the native Indian is confronted with social problems more serious than those of other people. There have been 100 years of repression and suppression of the rights and freedoms of the native Indian people. This fact must be counterbalanced in the shortest possible period of time. A century of wrongdoing will take a little while to undo. It has to be done by deliberate and conscious effort. It cannot be done by pious hopes or propaganda; it has to be done by accomplishment. The accomplishment has to be related to a period of time when there will no longer be a person at the head of a department that is set up to deal with the problems of people on an ethnic or cultural basis. That is discriminatory, wrong, and terribly shocking for people to have to accept. The minister should know this better than anybody.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I listened with great attention to the speech of the hon. member for Skeena (Mr. Howard). I thank him for the reasonable tone in which he made the speech. The hon. member raised many of the fundamental questions that I, as Minister of Indian Affairs, have in mind. I thank him very sincerely for taking this approach to the problem.

[*Translation*]

Mr. Speaker, it is obvious that we inherited years ago the problem facing us today with regard to the Indian people in Canada. The hon. member for Skeena (Mr. Howard) claims that during the last century we built, within our own society, a separate group which is known as the Indians of Canada. Because of their ethnic origin and the colour of their skin, they are governed by a group of institutions other than those set up for the other Canadians citizens. This is a serious problem which the government is now looking into carefully.

In the last few months, we have had a series of consultations with the Indians of Canada. We have held 18 meetings across Canada and I am pleased to report to the house that we attended these consultations primarily to listen to the Indians.

It is true that we had given them in recent months a booklet entitled *Choosing a Path* outlining certain points to guide their discussion.

But when my colleague, the Minister without Portfolio (Mr. Ondras) and myself participated in those consultations, we discussed all the matters the Indians brought up. We listened to them and never did we try to impose our views upon them.

[*English*]

It is very clear at this moment that at these consultations the message of the Indians was loud and clear. They do not need any lawyers; they do not need anyone to speak for them. They have shown the people of Canada that they can speak for themselves. They spoke about their problems. It is very clear that they want to be full citizens of Canada; they want to share both the advantages and responsibilities of being Canadians.

I think we have understood them. They have spoken about their treaty rights and aboriginal rights. We have listened to them and will respond to them. They want more autonomy. They want to make decisions, at the band level, for themselves and by themselves. We have understood them, and when we come up with our new Indian policy they will see that we have understood that message.

• (3:50 p.m.)

I think we made a lot of progress over the last seven months in our consultations and our dealings with the Indians. For the first time we have provided them with a genuine opportunity to talk to the people of Canada. It is being said that there are too many civil servants around, but you cannot operate a government department without having civil servants to do the job. One of the factors to be considered is that the way in which we have organized these consultations has provided the Indians with the occasion to speak not only amongst themselves but to the people of Canada.

The hon. member for Skeena (Mr. Howard) blamed us for having spent some money on public relations. It is true that we did so at these consultations but it was done with the purpose of providing the Indians with the opportunity to speak to the people of Canada. At these consultations we made sure that the press and television cameras were there. I will not apologize to anyone for having provided the Indians with that opportunity, and I think that these consultations have been profitable.

It is true that I have postponed the meeting we were supposed to have today. The reason is that the consultation was to terminate at the end of December but at the request of the hon. member for Skeena and of his constituents we held another meeting at the end of January in the riding of Skeena to listen once more to the Indians in that riding. I was there and so was the hon. member. I said almost nothing and the hon. member said nothing at all; all we did was to listen to the Indians. Their message was loud and clear.

We have put every word the Indians said on tape and it has been transcribed. All this takes time. We have not yet sent the report to all the delegates, and it would have been unfair to the people of Skeena to call them to Ottawa today when their views were not yet made known to the other Indians of Canada. I postponed the meeting because some of the Indians who want to come here and have a meaningful discussion with the authorities want to have more time to study the views of Indians from other parts of Canada.

The hon. member has accused us of not being ready with the Indian Claims Commission bill. There are many reasons for that. I gave a reason in December—because further representations were made at the consultations. I said that perhaps I will have to take another look at the bill. The hon. member for Skeena disappoints me because for months and years he has been speaking about the situation of Indians in Canada. I realize today that he is beginning to be out of touch with the people in his own riding.

The president of the Nishga tribal council, who is a member of the New Democratic Party and an Indian, Mr. Frank Calder called me to urge me not to proceed right away with the Indian Claims Commission bill because their case is before the court in British Columbia and they do not want it to be prejudiced. He is an M.L.A. out there and he asked the hon. member for Skeena to ask me to postpone the bill because they do not want me to jeopardize their case before the B.C. court. That is one of the reasons why we have not proceeded with it.

I am not too shy to respond to a reasonable request by the very Indians who perhaps in part vote for the hon. member for Skeena. Right now we are engaged in reviewing these consultations. We are studying them because we want to come up some time in the future—the hon. member for Skeena does not

want me to use the word "soon"—with a positive policy which the hon. member will look at favourably because we think we will change many of the rules.

I have said many times in the house that it is true that the present Indian Act is too paternalistic. Out of the 135 clauses in the act there are 111 where it is said that the minister has to do this or that or should do this or that. I have spent hours in my office signing documents which permit Indians to borrow $3,000 or $4,000 from the C.M.H.C. I am ashamed at my age to appear to be the white father of the Indian population. I think we have to change many things but we cannot do this before completing the first round of consultations. The hon. member blames us for doing things without consulting the Indians and yet although we have not completed the consultations he rises in the house today to blame me for not proceeding with the claims commission bill. I hope that next month, although I cannot give a specific date today, I will be able to listen to the views of the representatives who have been chosen by the Indians. Following this I will come to the House of Commons and tell the members what the government plans to do to solve the problems of the Indian people of Canada.

I made speeches in which I said that one of the problems in Canada is that the provincial governments do not consider Indians to be citizens of the province. I say that Indians should be citizens of the province equal to any one of us because they are human beings like any one of us. The government is ready to try to find a solution to this difference in views.

As the hon. member said, we cannot solve all these problems overnight but there are some fundamental questions to which we must reply. I can assure the house that as soon as the consultations with the Indians are over the government will make up its mind on the new Indian policy to be adopted and will inform the house of it.

[*Translation*]

Mr. Speaker, during the election campaign we spoke repeatedly of the Indian problem. And the Prime Minister (Mr. Trudeau) himself mentions it in all his speeches, on the rights of the citizens.

This government is extremely concerned with it, and that is why we have given it a priority it did not have before.

I could speak of what we have done in the past. We are accused of having spent too much money on the Indians, of having increased the budget too rapidly in the last few years. It is true that we have spent a lot of money; still, one must be objective. We have more than tripled our expenditures for Indian affairs in the last few years, that is from 1962 to 1969, and we have produced some results. We may not have built enough houses, but we did build approximately 10,000 units since 1963. We have given better schooling to the Indians. Ten years ago, only 15 per cent of Indian children stayed in school after the 5th grade. Today, 95 per cent of the school age children in the Indian population of Canada have gone beyond the fifth grade.

We said that we wanted to give the Indians more autonomy. We have taken the necessary steps towards that end. For instance, Mr. Speaker, we have had discussions with the Manitoba Indians for this very purpose. As they are organized and as they have expressed the wish to administer their own affairs, we are ready to negotiate with them and with the provincial authorities towards an agreement giving them the opportunity to assume a greater share of the responsibilities.

After having criticized us freely, the hon. member for Skeena (Mr. Howard) will perhaps allow me to read the comments of the person who surely knows quite a bit about the problems of the Manitoba Indians, and I refer to Mr. David Courchene.

• (4:00 p.m.)

[*English*]

Mr. David Courchene said:

—the meeting is possibly the biggest step forward in Indian-white relationships.

He attributed the new approach to Indian affairs to the valid demands of the Indians and a new federal minister of Indian Affairs who understands the problems the native people face.

We have really created a meaningful partnership with the government.

As I said previously, I do not feel very much at ease with a situation in which we have to decide every step of the lives of the Indians. They have now found spokesmen among themselves and on most occasions they express their views very well. And we have been listening to them. We have to give more authority to the Indians at the band level in order that they may decide their own priorities. We have to permit Indians to gain access to the same institutions as do other Canadians. Recently a measure was passed in this house, though little has been said about it,

giving Indian farmers the opportunity to borrow money from the same institutions as do white farmers. Because of the very nature of life on a reserve the Indian population often has no access to the same institutions as do their competitors.

We must develop new policies and new programs to permit Indians to enjoy these facilities. I cannot be specific today, for the reason that we have not yet completed our consultations with Indians. But we have understood what they have to say and we shall follow through with the necessary measures once we have completed these talks. I think we shall make them full citizens of Canada, because they want to be full citizens. We will give them more autonomy because they want more autonomy. In many instances they are able to conduct their own affairs. However, we ought to be objective about this question at all times. We should not be too partisan in the face of one of the most difficult social problems of our time. I am glad this debate is taking place today because it will focus the attention of the House of Commons on this question. I do not want to speak for too long because I know I shall be coming right back here with new policies on Indian Affairs after the consultation process has been completed.

The hon. member for Skeena would like me to drive myself out of a job. I would not mind that very much. I can probably do something other than Indian Affairs; at least I can look after the other part of my department. As I say, we should not be partisan about this. I think the hon. member for Skeena is to be complimented for keeping the level of the discussion so high.

We know there are many problems to be solved in the fields of housing and employment for Indians. We should not be helping these people because they are Indians but rather because they are poor or because they lack sufficient education. It is a kind of discrimination when one recognizes, within a society, a group because of its colour. I think we should deal with this issue because it is a social problem, because these people need more education, better housing accommodation, better economic opportunities, and so on.

We have really done a great deal in this direction during the past seven months. We have helped the Indians of Canada to form their own Indian association. They have held meetings in Ottawa. We have invited them here, we have paid their expenses, we have provided them with opportunities to talk with me, with the Prime Minister (Mr. Trudeau) and with the officials of the department. They were in Ottawa for a week during December during which we helped them form the association. Since then we have made sure that the National Indian Brotherhood was represented whenever we held consultations. I think we have achieved a lot in the way of co-operation with the Indian Brotherhood.

Unfortunately, I cannot tell the house today what the new Indian program is to be. We have been obliged to postpone some of the things I was very anxious to do because I felt it was my duty to listen to the requests of the Indians themselves. We should not rush forward when they are not ready. The consultations we were to have held today have been postponed at the request of the Indians themselves and because we have extended the first round of consultations following special representations by the Indians of Ontario and of the Skeena riding.

I do not wish to take up much time today. I merely want to say it is somewhat unfair to suggest we have made no progress in relations with our Indian population. The emergence of the Indians will come about from within themselves. There are some within this community who can show that we have made a lot of progress in many fields. Our role is not to be paternalistic toward them, though we could be paternalistic in many ways. Sometimes we can be more paternalistic in agitation than we can be in administration. We must be very careful not to make this a political balloon. We ought to make sure that the Indians have the opportunity to express themselves and solve their own problems. In the new policy formed pursuant to the present consultations we shall show we have decided to agree that they should be full citizens of Canada and give them access to the same institutions as are available to other Canadians.

I am sure many hon. members would like to express their own views on this subject today. I welcome positive suggestions and I should like hon. members to put forward their ideas as to possible new programs and approaches so as to help us bring in the policy we shall soon be announcing, making the Indians of Canada equal to any other citizens in our country.

Mr. Robert Simpson (Churchill): Mr. Speaker, the debate which the house is conducting today is certainly most timely. In fact, it is long overdue. As the hon. member for Skeena

(Mr. Howard) said, it is a considerable time since the house has had an opportunity to discuss this important subject, and I do not doubt that all hon. members will realize that it is, indeed, an important subject. I say this because should we, as legislators or as Canadians, fail to attack this problem in a meaningful way and do our best to enable our Indian people to become equal partners in society, it will be increasingly hard for future generations to do so.

• (4:10 p.m.)

The hon. member for Skeena spoke of those subjects which concern our Indian peoples today. He spoke of the necessity of maintaining human dignity, cultural identity, and the desire of the Indians to take their full part in Canadian society. I was pleased to hear the minister say the government was anxious to attack these problems as quickly as possible. I notice he said that the government had inherited its problems. That is quite right. Similar problems have faced other governments. It is gratifying to find that Canadians now think present difficulties in this field should be cured quickly.

I was pleased to hear the minister say that there had been consultations where representatives of the government met representatives of our Indian peoples. It will be agreed, I think, that members of all parties have insisted on such consultation over the years. When one speaks of consultation one must ask, to what extent is it being carried on? One must remember that when governments plan new legislation affecting our Indian peoples much time is spent by so-called experts and legal advisers in preparing and planning it. Such planning can go on for many months. After all that work the minister and some of his officials may go to the Indian people, outline the proposed program in one or two brief meetings and expect the Indians to digest the program and say which parts are acceptable and which are not. We speak of consultation, and we must remember that our Indian people need time and all the assistance we can give them if they are to examine plans that the government proposes in an adequate manner.

The present attitude of the government which has led to consultations being held with the Indian people is a far cry from the attitude that prevailed not too many mears ago. Hon. members will no doubt recall that the actions of Liberal ministers were severely criticized when health services to our native peoples were to be cut back. Without prior notice being given to the heads of our Indian communities, regional directors of health services were informed that health services to Indian peoples would be curtailed. Hon. members of Her Majesty's Loyal Opposition and members of other opposition parties took great exception at that time to what was happening. It is therefore gratifying to see that the government has now adopted a different attitude and is willing to consult our Indian peoples before presenting legislation to the house.

The hon. member for Skeena said that the minister should be working toward the abolition of his department and portfolio. I am sure the minister realizes the hon. member was not being critical but was expressing a hope. He was trying to say that not only the minister but all officials of the department ought to try to eliminate the problems confronting our Indian peoples, thereby doing away with the necessity for the department. I support that suggestion.

I have good friends in the department, and I learned something which those outside the department may not know but which is common knowledge within the department. It is epitomized in a reported conversation between two older members of the department. One said to the other, "Do you not find it strange that junior members of the department have not come forward with suggestions to alleviate some of the problems facing our Indians?" The reply was, "These juniors are acting as we acted 20 years ago when we were younger. They are afraid that if they bring forward too many suggestions and solve problems they may find themselves without jobs before retirement age." This story is not to be taken in a jocular manner because it exemplifies the feeling of some officials in the department. I do not criticize civil servants in general. In the Department of Indian Affairs we have some diligent, hard-working men, and excellent field men.

Some hon. Members: Hear, hear.

Mr. Simpson: I could mention names but I will not. Yet it can be said, as the minister himself suggested, that many in the department adopt a paternalistic attitude to our Indian peoples. I think the hon. member for Skeena had all these matters in mind when he suggested that the minister ought to work toward abolishing his own ministry.

I was also pleased to hear the minister say that as a result of meetings he has attended

with Indian peoples he has concluded they are capable of speaking for themselves. That fact was proven conclusively during a meeting not long ago in Ottawa of the Indian Affairs Committee. It will be remembered that representatives of the Indian Brotherhood came to Ottawa for the sole purpose of forming a national Indian brotherhood, and they attended our committee meeting. I do not know whether the minister was there. The deputy minister, I believe, was there on that occasion, and with him were eight, nine or ten experts from the department. Those representatives questioned the deputy minister, and Members of Parliament on the committee directed questions at all the experts for about two hours.

• (4:20 p.m.)

Before the meeting concluded the chairman asked the representatives of the Indian Brotherhood if they would like to say a few words. I recall the words of Isaac Beaulieu who was representing the Manitoba Indian Brotherhood on that occasion. He stated he had heard a number of questions directed to the officials of the Indian Affairs Branch and heard a number of answers to the effect the department had been considering these problems but had been unable to arrive at an adequate solution.

Mr. Beaulieu was curious about the fact that the people in the Indian Affairs Branch had not been able to arrive at solutions and had not consulted with the officials of the Indian Brotherhood who represent the Indian people of Canada. Mr. Beaulieu's remarks were very timely and very much in line with what is taking place today. In many cases Indian problems are not being dealt with in the proper manner and not as quickly as they should be.

As the hon. member who initiated this debate rightfully said, we in the opposition parties have been asking the government for some time to set up the Indian Claims Commission. The minister is aware by this attendance at some of the consultation meetings in regard to changes in the Indian Act that the Indian people, including those representing Indian bands in Manitoba, have requested direct Indian representation on that claims commission. I do not know whether the minister has given the matter the consideration it deserves and has been able to convince his colleagues in the cabinet that Indian representation is desirable on the claims commission when it is set up.

I want to go on record as saying that it is not only desirable but imperative that there be equal or majority representation of our native people on the Indian Claims Commission. The minister has stated today that the Indian people can speak for themselves. I assure the minister that we in the official opposition are not attacking the motives of the government, but we maintain that the government is not attacking the problems of the Indian people in a manner acceptable to the vast majority of Canadians or the Indian people concerned. I assume that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister without Portfolio (Mr. Andras) are sincere.

During the last election campaign I told the Indian people I would not criticize the previous government except for the course it took in relation to health services. I told them I would not criticize the sincerity of the government in regard to wanting to help the Indian people. As the minister mentioned, there is no doubt that those who speak today will give him some very frank ideas as to what should and can be done. We in the official opposition believe there is a genuine desire on the part of the government to improve the position of the Indian people of Canada, although I hasten to add that the government is not adopting the proper course. I accept that this is a most difficult problem. It is not our purpose to make it more difficult but to force the government to act as progressively as they have been talking. We expect the government to practise what they preach.

The minister stated that some delay has occurred in the continuation of the consultation meetings with respect to changes or amendments of the Indian Act and the setting up of the Indian Claims Commission. He stated that these delays were at the request of the Indian people. I accept that because I feel that the Indian people must be given an adequate length of time to digest thoroughly the plans of the government. In view of the fact the government and its predecessors for several years have said that an Indian Claims Commission would be set up, we feel this should be done as quickly as possible. The government is not being effective in Indian policy. There is disturbing evidence the government is not giving this matter priority. It should be near the top of the list of priorities. I will not get into a discussion at this time regarding the two constitutional conferences held during the last two years.

The Acting Speaker (Mr. Béchard): Order. I regret to inform the hon. member that his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Is it agreed that the hon. member for Churchill may continue?

Some hon. Members: Agreed.

Mr. Simpson: Thank you very much, Mr. Speaker. I will attempt to be brief.

• (4:30 p.m.)

It is amazing to me that we can have discussions from one end of Canada to the other on subjects such as bilingualism and biculturalism, which I know are tremendously important, but how much importance has this house placed on the questions we have raised from time to time about the abrogation of Indian treaty rights? On occasion we have raised the abrogation of rights granted to our native Indian people by treaties entered into with them by the government of Canada. When we mention such matters we do not get much response from the government, and we do not get much attention from the news media. But just mention bilingualism or biculturalism and everyone plays it up. On the one hand, we are violating treaties; on the other hand, some people are trying to institute bilingualism across Canada. Without criticizing them I say we pay more attention to the desirability of bringing in something new than we do to the fact that the government has actually welshed on its agreements with the Indians. Let no one again use the phrase "just society" in Canada until the government gets around to correcting the situation that stems from the abrogation of Indian rights.

One of the principal examples is the abrogation of Indian hunting rights. The fact that certain conservationists feel that the Indian people should not have special privileges has nothing to do with the case. The Indians have treaty rights. Two Indians from my constituency had their cases taken right up to the Supreme Court of Canada, and on a five to four decision of the nine judges the Migratory Birds Convention Act was ruled to take precedence over Indian treaty rights. Regardless of which way the decision went, there were four judges who felt that the government was wrong in what it had done in relation to these treaty rights.

When the minister points out that the government is endeavouring to straighten out this very difficult problem I reply that these things can be straightened out provided he meets with the other authorities concerned. For the past four years I have been requesting that ministers sit down with their counterparts in the United States and renegotiate the Migratory Birds Convention so that Canada may be able to live up to its commitments to its Indian people. Many people will say that repeated mention of this problem takes up a lot of parliament's time, but I am sure Canada's reputation in the world at large would not be too good if we abrogated treaties with other countries. Let us show we have the desire to solve the problems of our native people by beginning immediately to solve this problem.

A little while ago the minister announced postponement of a major consultation conference scheduled for Ottawa, as was mentioned by the hon. member for Skeena. We hope it is a postponement and not a cancellation. The reason given for cancelling the meeting was that more time was needed to consider the material that had been presented. But many people believe this is not a valid reason. Some Indian people were highly critical of the representation they were granted at the conference, and indeed some spokesmen for the Indians of Alberta were so disturbed that they threatened to boycott the conference. Some meetings have already been held at various points across Canada, and we can only hope that after the final meeting the government will decide what changes it will propose in the Indian Act.

The Manitoba Indian Brotherhood has stated that one fact emerges most clearly from the meetings that have been held, namely, that the Indian people need and demand legislation that will change their present status from so-called protected wards of the government to equal citizenship with all other Canadians. Therefore they say that the Indian Act in its present form must be abolished because it is merely a catalogue of restrictions, and whatever the new legislation is called it must be more than a mere revision of the old act. The Indian people demand the destruction of all the old barriers and the provision of enlightened government action to provide opportunities whereby Indians, controlling their own destiny, can take their proper place in the Canadian mosaic. We in the official opposition will be anxiously awaiting an announcement from the minister that

the government is prepared to take the proper action.

I am sorry that the Minister of National Health and Welfare (Mr. Munro) is not able to be in the house at this time. I know he is busy having meetings with regard to a subject which I brought to his attention within the last few days.

Mr. Chrétien: On a point of order, Mr. Speaker, if the hon. member wants to make some remarks on health services my colleague, the Minister of National Health and Welfare (Mr. Munro), told me he will be back in the house soon. He is having a meeting in his own office with Indians from Manitoba.

Mr. Simpson: I thank the minister. I am sure he realizes I was not criticizing the Minister of National Health and Welfare for not being here. In fact I assumed he was having a meeting with Chief Gordon Lathlin of The Pas Indian Band, who is in Ottawa today. I hope that the Minister of National Health and Welfare will make a statement in the house later today with respect to two requests which the members of The Pas Indian band have made to him.

• (4:40 p.m.)

This matter is another instance of lack of consultation. It does not come under the jurisdiction of the Minister of Indian Affairs and Northern Development but under the Minister of National Health and Welfare. For the past four or five days the Indians of The Pas band have found it necessary in their own good judgment to set up a picket line in front of the Indian health clinic at The Pas. They have demanded that they have full control over the community health worker program. This would include wages, transportation costs and the administrative expenses for the program. Second, they have asked that a federal employee whom I shall not name at this time be removed from the Indian health clinic at The Pas. I have discussed this matter over the telephone with the chief. These people have very diligently laid out their reasons for these two requests. They have laid out quite plainly for the minister several reasons why they wish the removal of this employee.

The minister and members of his staff no doubt will have ample opportunity to discuss this matter with the chief at the meeting today. The minister advised me in the house that he thought he would have the answer in one or two days. So when he comes into the house later this afternoon I hope he will be able to make a statement and advise the house whether the two requests made by the Indian people at The Pas can be granted or whether, to use his words, the Indian people will have to go on picketing until doomsday. I am not being critical. I really hate to put this on the record when the minister is not in the house. If he were here I would say the same thing, because one of the complaints of the people is that they were told they could picket until doomsday but that the minister would give them his answer when he was ready. I am taking this information from a press release put out under the authority of the chief of the Indian band at The Pas. As I say, I regret very much that the minister is not in the house at this time. I am sure he received a copy of this press release. I hope he will be able to clear up the situation to the satisfaction of the Indian people.

In conclusion I should like to remind the minister that we were very pleased to hear he feels that the Indian people have many problems. We were also very pleased to hear that he feels they are capable of speaking for themselves. We were equally pleased to hear that the government will at all times have full consultation with the Indian people before adopting new policies. This is what the Indian people want and this is what they are entitled to. Again I remind the minister that the evidence we will have to go by will be the results in respect of certain things such as whether or not the Indian people have proper representation on the Indian Claims Commission when it is set up and whether the Indian people are given full opportunity to examine the many changes which are to be made to the Indian Act. I further request that every effort be made by the departmental officials and the government to hasten the day when the Indian Act will become a thing of the past so that the Indian people will be able to take their rightful place in Canadian society.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, it is about a year since we have had the opportunity to debate in the House of Commons the situation in respect of our native peoples. I believe it is only fair to say that the debate which has been going on so far today has been on the same non-partisan level which we have enjoyed in the past. I think we should also welcome the new minister to the list of ministers of this department. The Department of Indian Affairs has had more casualties than any other, I believe largely because of the inherent impossibility of the task the minister is given to perform.

Alleged Denial of Rights of Native Indians

I should like to speak briefly about one area in which I believe the Department of Indian Affairs should be moving. I have some statistics concerning the progress made in the field of education in terms of the number of students now taking courses at the various educational levels. For example, in 1957-58 there were 124 post-secondary students. For 1967-68 that number has gone up to 225. The number of children in high schools in the same period has increased from 1,900 to 5,900. The number attending at the elementary school level is 48,000 now compared with 31,-000 in 1957-58. I think this indicates a very laudable improvement.

There is, however, one aspect of the problem which bothers me considerably. Once the students leave school the Department of Indian Affairs seems to have very few support programs to assist them in taking their rightful place in society. Once an Indian has received an education he cannot go back to the sterile existence that he would have on the reserve. He must go into a world very different from that which he knew while at school or on the reserve. When he does, the Department of Indian Affairs has practically no program of assistance. The only program it has is a rather minor one involving Indian friendship centres.

In the whole of Canada there are only 21 of these centres, all of which are in provinces west of the Ontario-Quebec border. There are none in Quebec or the maritimes. The information I have from the Indian Affairs office indicates that in Ontario there are four which are located at London, Toronto, Parry Sound and Port Arthur. I know there is a friendship centre in Kenora, Ontario. Perhaps the statistics of the Department of Indian Affairs are not always up to date. The centre in Kenora has been unable to obtain any meaningful assistance. Their facilities are overcrowded and yet there is no program for a capital grant.

The type of program the federal government has to assist Indian friendship centres is ridiculous, to say the least. In the provinces of Manitoba, Saskatchewan and Alberta there are federal provincial agreements providing grants in amounts varying from $20,000 to $30,000 annually to each of these three provinces. In order to receive these grants the province must pay 50 per cent of the costs under a cost-sharing plan. These grants are designed to pay only the administration costs of the friendship centres. They do not cover capital costs, hostel costs or even court worker costs.

In Ontario and British Columbia the friendship centres make their own approaches to the citizenship branch in Ottawa which makes matching grants equal to the provincial grants. However, the provincial and federal matching grants meet only two-thirds of the annual administrative costs. Therefore one-third of the annual administrative costs must be raised locally by each individual friendship centre. It seems to me this is a totally inadequate way to deal with a very serious problem. The bureaucratic system is probably the best way we have found to deal with problems through government action, but when we get into a situation where bureaucracy works against bureaucracy changes must be made quickly.

Indians who leave their reserves to seek work need help. Just as immigrants who have come to Canada have adopted the church hall type of program to assist them in becoming integrated into Canadian life, so too the Indian people need help. The Indian people are on a different basis from immigrants and it seems to me they need special help. When one is organizing Indian friendship centres it is difficult to get assistance at all from the federal government. There are individuals in the Indian Affairs and Citizenship Branches who do give some assistance but their efforts are often stopped by the department itself.

• (4:50 p.m.)

I want to give a specific example of the problem I am speaking about. In one town in my constituency, Red Lake, there is employment for Indians. Consequently Indians have come from all over North Western Ontario, from the northern areas of Manitoba, Saskatchewan and, I am told, even from Alberta, because there are jobs in the gold mines at Red Lake. There are not as many as before but there are some. A new iron mine in the area has made an effort to hire Indian labour.

The problem is that there is no housing and no organization to assist the Indians. There is nowhere they can go to receive help in integrating themselves into the new culture even though they are willing to do so. However, there is an organization there now called the Red Lake Indian Association which is trying to establish a friendship centre in the town of Red Lake where there is almost no serviced land. The township of Red Lake offered to provide serviced land to this organization at a cost of $1. A heating system has been offered

by one of the local gold mines. Yet, there is no way in which either the federal government or the provincial government to this date can move and provide these people with the assistance they require.

In the new policy, which I hope the government will be announcing, I trust the tools that are required to enable the Indians to take their place in Canadian society will be provided. At the present time it seems to me that the educational program is adequate but the follow-up is simply lousy. A lot of work remains to be done and much imagination needs to be shown.

I should like to deal with some of the larger issues in what we term the Indian problem. My way of looking at it is to consider it not as an Indian problem but as a problem facing 230,000 people who have lived outside the mainstream of Canadian life and who are now trying to establish their place within the Canadian mainstream. It seems to me one of the primary things the federal government should do is to involve the provincial governments more deeply in Indian affairs. There are two reasons for this. First of all, there should be no distinction made between citizens of Canada. There should not be any necessity to provide separate services for Indians in, for example, the fields of education and medical services. However, the provinces will not be particularly willing to move into these areas, and one reason for this, I suggest, is the plight of the Métis.

If you begin to extend provincial services to the Métis it means that people, part Indian, part white, who for years have received no services from either the provincial government or the federal government, will receive provincial services. Therefore the cost to the provinces of these additional services for Indian people is not measured just by what the federal government pays in providing services to the Indian people, but also by the cost of extending such services to all these other people who have been ignored over a period of time. That, too, is part of the problem. It may well be that the federal government should look very carefully at this problem and integrate the Métis into programs that are designed for the Indian people. If the government does enter into negotiations with the provinces with a view to turning over these services and paying its share of the costs, it should also insist that the Métis be given their rightful share of fundamental rights that everybody in Canada enjoys and for which, incidentally, these people of Métis descent are paying federal and provincial taxes.

I also favour the decentralization of Indian affairs because I do not believe that the federal government is the source of wisdom in all things, particularly Indian affairs. I think there is much more conventional wisdom, if I may use that phrase, among the people living in communities which contain both whites and Indians. Often a far better relationship exists between them than exists between the Indians and the department.

When we talk about new policies for the Indian people I think we have to realize that much of what has been said in this house today does not apply to the Indian people who reside in the Northwest Territories, the Yukon, or in the constituency of Kenora-Rainy River. The people in my riding are not necessarily able to take advantage of all the programs available to them simply because they do not know how to cope with the white man's society. For example, it is only within the last ten years that roads have been built to some of the Indian communities that are close to white communities in my constituency. Only now are these people adjusting to the services that the Department of Indian Affairs and the provinces can now provide. Therefore it is absurd to assume that all Indian people are equally advanced and able to take advantage of all the opportunities we hope to provide to them. It seems to me that we require a far more flexible system that will offer a series of options and permit the Indians to opt in or opt out as they see fit. Perhaps it may be necessary for the government to set time limits, to establish quotas, to establish a timetable, so that when Indians at one level are prepared in order to move up to another level they can, but not to the disadvantage of others who many not be as advanced as they are.

Another aspect of the problem is that in my opinion there is a great deal of arrogance toward Indians in the House of Commons, and perhaps I am as guilty in this regard as anybody else. We seem to assume that we can formulate policies for our Indian people which they are going to follow. Although we pass the Indian Act it is the Indians themselves who should be deeply involved in the framing of its terms, even in its administration. It is the Indians who are affected by its provisions, not us. I detect a certain amount of arrogance in speeches that have been made on this subject that do not fit the facts, and I think we are all guilty of it.

I should like to give the house an illustration of the difficulties that we are going to have to face. In many areas there are going to be tremendous conflicts between the young people and the older generation. They will have to learn to govern themselves and resolve their own internal difficulties. The Indian Affairs Branch has been a very convenient scapegoat for many Indians. Because of the Indian Affairs Branch we have been unable to progress, say the Indians. Because of the Indian Affairs Branch, they say, we have not been able to govern ourselves.

If a new Indian Act is passed, as we hope it will be, this is going to mean that the Indians themselves will have to accept a great deal more responsibility for their own activities. Such a procedure will, I suggest, be difficult and slow. I do not think we can come up with any policy that is going to solve all the problems of the Indians in 100 years. I think that any government or legislative body that announces that it has a program to settle all Indian problems in 100 years flat is clearly not in touch with what is going on in the country and with what the Indian people are thinking. I sense this type of attitude among the members of the cabinet, though not so much on the part of the two ministers directly responsible. However, I get the feeling that the cabinet has decided that it is not going to do anything about solving the problems of the Indians until it is able to come up with a program that will solve the problems of the Indians in 100 years guaranteed. I think that is unrealistic.

I should like to see the Indian Act done away with because I believe it is an anachronism. Nevertheless, I understand that because of historic treaty rights and for other reasons we will have to have some form of Indian Act. We have to recognize that the original intention of the Indian Act was to provide protection for Indians. We have to continue to provide them with certain services. But the goal toward which we should work is that which the hon. member for Skeena suggested; the minister should work himself out of a job. But I think we have to face up to the realities of the situation.

I believe, that what the Department of Indian Affairs should be doing is helping the Indians to develop among themselves their own agencies that will work toward their own benefit. In the riding of Kenora-Rainy River there are a number of organizations, Indian corporations, that operate under an advisory body called the Amik Association. The Amik Association has been receiving a grant of $15,000 from the provincial government, a sum shared jointly by the federal government. Because of the organization's success the grant has been upped to $24,000, again shared equally by the two governments.

The organization has prepared a very extensive and I think well thought-out brief for the Ford Foundation because it was not getting anywhere with the federal and provincial governments. It could get a little money to help meet administration costs but could not get the "seed" money it really required in order to go ahead with some of the projects it has in mind. So it submitted a brief to the Ford Foundation of America, which was accepted enthusiastically. The Ford Foundation wrote back and said: "We will put up $50,000 for a revolving loan fund for your area provided the federal and provincial governments will each put up $50,000." The money is to be used for "seed" projects.

• (5:00 p.m.)

It seems to me that here is an example of a great initiative by a group of local people, some white, some Indian, working sometimes in concert with and at other times in opposition to the Department of Indian Affairs and the other do-gooder organizations that involve themselves in Indian affairs. They came up with a proposal which they submitted to the federal and provincial governments. I think the two governments are on trial. I do not think they have any choice but to go ahead and provide the money to this organization which has proven itself to be effective. It is completely independently controlled; it is autonomous; it is on its own. I think the minister should look into this matter as soon as possible with a view to approving the program.

I would like to say a word or two about the consultative process. Quite frankly, I have not been happy with the way it has been carried out, particularly with the way it has affected the Indian people of my area. The concept of the consultation process has been that the Indian, like the white man, is used to the operations of the white man's institutions. I think this is a false assumption. Basically, it has been my experience that there is no concept of representation, as we know it, on the Indian reserves. When I have consultations with the Indians, in the northern areas particularly, the chief will be telling me something and as he is speaking somebody, not a member of the band council necessarily, may interrupt him and make a correction or put

across another point of view. The chief will go back, reverse his stand, take that person's point of view into consideration, and go ahead. There is a sort of direct relationship here.

The consultation was imposed from the top down. The Indians were told to elect representatives and send them to the Lakehead or Toronto. They were taken out of their native areas and natural environment and put in a white man's situation. In this situation we expected them to provide us with proper information with regard to the Indians.

I admit that perhaps this is a little overdrawn, but I think the general idea is true. Far more work should have been carried out at the band level. There would have been far more understanding of the questions involved if this process had been carried out at the band level because the Indians would have known what matters were being raised. This is particularly true of Indians in rural and other areas where they are not in direct communication one with another. This was not done. To a large extent I think this was responsible for the first series of consultations not being as successful as we hoped they would be.

At this time I should single out the former minister of Indian Affairs, now the Minister of Public Works (Mr. Laing), for his initiative in setting up this program and for the work he did. If anybody could be said to be the father of consultations, it would be the present Minister of Public Works. Mind you, it was not a very pleasant form of consultation at times; sometimes it resembled a shouting match. Nevertheless, he believed in consultation and dialogue and went ahead and set it up.

Mr. Chrétien: On a point of order, Mr. Speaker, perhaps the situation was not the same in the district of the hon. member, but I would like to inform the House of Commons that in many provinces we provided money to the Indian associations so they could go into every reserve and discuss with the Indians there the forthcoming consultations. This happened in Quebec, Manitoba, Alberta, Saskatchewan, and I think British Columbia. Perhaps that process did not occur in Ontario or in the northern part of that province. But we welcomed this initiative of the Indians and provided them with money in order to permit Indians who were aware of the situation to go to the reserves and discuss, ahead of time, with the local Indians the consultations that were forthcoming.

Mr. Reid: I accept that, Mr. Speaker. All I say is that I was told by various band councils that they were not consulted and did not really know what was going to happen. There was a consultative process, which was the proper thing to do, but it brought out many surprises. For example, one of the chiefs told me that this was the first time he had ever known there was a basis behind the actions of the Department of Indian Affairs. He did not realize that there was an Indian Act. He always thought the department had acted in an arbitrary fashion and without any sense at all. I hope that when it comes to the second round of consultations the minister will take this into consideration.

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the house agree to give more time to the hon. member for Kenora-Rainy River?

Some hon. Members: Agreed.

Mr. Reid: Thank you, Mr. Speaker. I have just one brief point to make concerning the Indian Claims Commission. I understand there has been some talk among the government that before we proceed with the Indian Claims Commission the Indians must be fully consulted and made fully aware of all the implications involved. I further understand that the government has tied the Indian Claims Commission bill to general policy for Indians which the minister, we hope, will be introducing shortly.

If this be true—I have no way of knowing whether it is true; it happens to be rumour—I disagree completely with this view. I think it would be extremely foolish if the government were to tie the Indian Claims Commission bill to a general Indian policy. My reason for saying this is that there are many grievances which the Indian people have outstanding; they have taken, I think, the proper position and have insisted that their grievances be satisfied before they go on to other things. They, like us, are the victims of their own history. They have really no reason to trust the white man. I think we have an obligation to make proper restitution if restitution is necessary. All these grievances must be looked into and we must come up with a just settlement; otherwise how can they believe us?

In my opinion the Indian Claims Commission has absolutely no relationship to a future Indian policy. It has a great deal to do with the abuses which the Indians have suffered over a period of time and it is very important that the government move quickly in this regard. I hope that when the minister meets with the National Indian Association next month he will be able to seriously discuss with them the terms of the bill, and that shortly after that meeting, should they concur, the bill will be presented to the house. I would oppose any attempt to hold back the bill on the ground of it not being integrated with an Indian policy for 100 years hence. This would be a travesty of justice and a misreading of the situation. I think the government has an obligation to press forward with this matter as soon as possible.

• (5:10 p.m.)

Mr. Erik Nielsen (Yukon): Mr. Speaker, the debate thus far today has been conducted on a very high level indeed. As hon. members know, I am not one who usually becomes partisan in matters of this nature, and I do not intend to break that habit. To indicate the sincerity of that remark I will now do something that is usual and quite normal for me, that is, compliment a member of the treasury benches. I refer, of course, to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) who, in one aspect of his portfolio, namely, Indian Affairs, is making a very sincere effort to overcome an almost insurmountable problem, the tragedy of our Indian population. From time to time, of course, I will be critical of the other aspect of his portfolio, Northern Development, which is also my responsibility. In the meantime I believe he is making a commendable effort in regard to Indian Affairs and I hope that he continues along the present course.

I agree in large measure with what the hon. member for Skeena (Mr. Howard) said. He knows, as I do and as perhaps few hon. members who have not been in the northern area of our country do, the extent of the deplorable conditions which exist among our Indian people in that region of Canada. The minister has seen something of them and so have some of his officials, but not often enough.

One of the things on which I agree very positively with the hon. member for Skeena is his criticism of the department, more than of the minister, with respect to the administrative procedures now in force in connection with the representations made from time to time by Members of Parliament. I happen to know of the procedure of which the hon. member for Skeena spoke according to which the problems are now handled by the Vancouver office instead of, as in my case, the Yukon agency or whatever agency handles the Skeena area. The problems mentioned in our correspondence are referred to Vancouver of all places. This procedure was invoked during the administration of the minister's predecessor and my belief is that it was done only for political purposes. There is no other logical explanation for it. This is very wrong. If the literally hundreds of representations which are made by Members of Parliament, in areas such as mine at any rate, on behalf of the Indian people require routing to Vancouver, then there is not much purpose in maintaining a Yukon agency.

As a matter of coincidence, before I even knew what was coming up in the house today I wrote to the minister's senior official in Vancouver and I sent the minister and the superintendent of the Yukon agency a copy of my letter in which I objected very strenuously to being obliged to go through this routine. The minister will receive that letter in due course. I wrote on behalf of an elderly Indian in my riding who was in need of assistance. My letter was dated February 4 and the reply from Vancouver was dated February 20. When there are people in need of assistance in weather 40, 50 or 60 degrees below zero and when the very matter of their survival is at stake, they cannot wait from February 4 to February 20 until these requests are funnelled through the usual channels before relief is obtained. So I urge the minister to consider the fact that no useful purpose is being served and, in fact, every evil purpose, by a continuation of that kind of nonsensical procedure. There is no reason in the world why the same procedure should not be followed that was in force for the ten and a half years prior to the imposition of the innovation of the minister's predecessor. There is no reason why the superintendent of the Yukon agency and his staff cannot handle these problems with which they can deal much more quickly than can Vancouver. I am sure the Vancouver office would be the first to agree.

This brings me to something else I want to say which I have not had the opportunity to do for some years now. It relates to the personnel of the department. I believe that the department has too few of the kind of dedicated personnel necessary to give any effect

to the purpose of the department. In the almost 20 years that I have been in the Yukon a consistently high calibre of field workers and personnel has been staffing the Yukon agency and dealing with the problems of the Indian people. It is too bad that I cannot say that giant steps in terms of progress have been made over the same period because despite the dedication of the personnel, despite their intention and their sincerity, they have been prohibited from achieving their desires and in some instances prosecuted for doing what was right. I am sure that if the minister consults his files and goes back in history he will know the people to whom I refer in making this comment.

It is very interesting to look at the proceedings of the Joint Committee of the House of Commons and the Senate on Indian Affairs in 1960 and 1961, starting at page 605 of the bound volume, and the recommendations that were set forth in the committee report of that day. They are almost precisely what we have been hearing on an annual basis ever since. It is little wonder that the actions or the lack of action of those responsible for improvement in the area of Indian Affairs can be described as they were by a northern Indian chief when he said: "Their words are like the snows. We learn to live with them but they always go away like their promises." I do not want to be critical of the minister and I hope he takes my remarks as being critical only of what is not being done.

I am in favour of the motion that has been put forward criticizing the government for its failure to deal adequately with Canada's native population. I believe that this motion must have the conscientious support of every member of the house because when the evidence is in one must conclude that the indictment is proven on all counts. The policies of the past several years and previous policies under all governments have simply not been adequate. I am reminded of the large amount of verbiage that has cluttered the pages of *Hansard* with respect to the Indian Claims Commission bill. I remember that the draft of that bill was first heard of in 1961 and I believe that in 1962 the bill was ready for parliament. However, along came an election that year. We have been hearing about the bill to establish the Indian Claims Commission every year since, but we do not have it yet.

The minister has asked for constructive criticism and I intend to relate my constructive criticism with respect to the department to my own riding, but I am sure that it applies equally to a good many others in Canada including the riding represented by the hon. member for Kenora-Rainy River (Mr. Reid). He said in his remarks that the Indian people of his riding are below the national average—I believe that was his description—and that it is only now that roads are being built into some of the areas where the Indian people live. In many communities in the Yukon and the Northwest Territories there are no roads at all and contact with the white people is infrequent, to say the least.

• (5:20 p.m.)

When one speaks of the Indian people one must think in the same breath, if I may coin a phrase, about the Eskimo population, and when I think of the Eskimo population I cannot but recall the words of Mary Carpenter, an Eskimo girl from Sachs Harbour, Victoria Island, Northwest Territories, 300 or 400 miles off the Mackenzie Delta, who is attending a university in western Canada where she is majoring in history and journalism. In a speech to delegates attending the national meeting of the Indian-Eskimo Association in Toronto last fall she criticized government bureaucrats for regarding the Eskimo as—and I am using her words now—a kind of new nigger in a parka, and for supporting the Panarctic oil scheme which exploits native lands. She told the delegates:

> I don't wish to alarm you, but the fact is that the federal government is doing to my people what the whites have done to the negroes of the United States. They are making us into a service class people, or slaves; take your pick.

It is all very well to talk about the number of Indian children who are attending schools. It is all very well to talk in terms of statistics which are in themselves misleading. I made a note of the figures referred to by the hon. member for Kenora-Rainy River. They look impressive, but what do they mean? What proportion of the increase of some 17,000 children of Indian lineage now attending elementary schools is the result of a natural increase in population? The statistics have to be related to that factor to mean anything at all. Again, it is all very fine to lay on educational programs for the Indian people, to produce more heavy duty equipment mechanics, more automotive mechanics, plumbers, electricians and so on. But training of this kind is of little use unless we can find ways of putting the newly trained tradesmen to work.

The minister has asked us for constructive criticism. I suggest it is of little use talking

about new policies, giving band councils more autonomy, sending more children to school and building more houses, if the department itself continues to create ghettos for Indian people as a consequence of the very things it is doing. This is precisely the situation in Whitehorse where what is literally a ghetto has been created. All the new houses for Indians built in the area are being constructed on land set aside for the Indian people—not on a reserve, because there are no reserves in the Yukon. Indians are not permitted to integrate with the other elements of our society in Whitehorse. Technically, I suppose, integration would be permitted, but it would cost money. Remember, it costs $4,000 or $5,000 to build a house on land set aside for Indians in the Whitehorse village. And I suppose it would cost between $12,000 and $15,000 to build any kind of home which would not reduce land and property values in the other residential areas of that community.

Look at the rest of the communities in the Yukon. Take Upper Liard, for instance. The chairman of the Standing Committee on Indian Affairs and Northern Development, who is in his place today, knows that when the committee visited the Yukon recently the separation of the Indian community was immediately apparent to everyone. All these communities—Upper Liard, Teslin, Whitehorse, Carcross, Haines Junction, Mayo, Burwash, Beaver Creek—are places where the Indian people are segregated. Homes are built for them somewhere out of town until, of course, the encroachment of progress demands more commercial land for industry or development and then the Indians are moved out again. Once this was done without consultation even.

The department would be well advised to get away from the idea that amenities for Indians have to be grouped in segregated pockets. If there is to be integration, instead of following a housing program in a ghetto let us build homes integrated with the rest of the community. If this costs more money, so be it; the end product will be much more useful to society than it is at the moment, and the present policy is not working anyway. In fact, it is a waste of money.

A few moments ago I mentioned the encroachment of progress. As things are at present, the right hand of the department does not know what the left is doing in the field of development. I think of the situation at Old Crow where there is an Indian population unique in all Canada, I suggest. We find there a community of ambitious, intelligent, bright people who make their living primarily from trapping muskrat in a vast area known as Crow flats. Among us who live in the Yukon there is a great fear that the basis of their economy will be swept from beneath their feet as a result of the tremendous increase in investment interests in the oil and gas potential of this area as a result of the Prudhoe Bay discoveries. Great Plains Exploration has over 800,000 acres leased in this area. The side of the department concerned with development has informed the local press in response to inquiries that there are no oil and gas lands under lease within 200 miles of Old Crow. If extensive exploration is to be permitted in an unrestricted way in this area it will be the beginning of the end for these people because the economy of the whole region would be destroyed. The result would be another 250 people on welfare. I do not suggest to the minister that he place a tight cap on the development of our oil and gas resources anywhere in Canada, but I say there should be a very keen awareness of the possible effects of such development upon communities like Old Crow.

As my second constructive suggestion to the minister I want to say a word about the sad parade of humanity which one sees day after day, every day except Saturdays and Sundays, before the police magistrate or the justice of the peace primarily in the Northwest Territories. Anyone who attends these courts will hear charges being read to people who do not understand what is being said. Judicial personnel ask whether they understand the charges, and a nod of the head comes back in reply. "Do you plead guilty or not guilty?" they ask, and again a nod of the head is given, because if there is one thing an Indian person wants to do it is to please. Before he knows what has happened, let alone understands what has been read to him, he is convicted and fined $15 or $20. Because he has no money, he finds himself in jail for two or three weeks.

• (5:30 p.m.)

This government set up a commission in the Northwest Territories under Mr. Justice Morrow to study the situation. I suggest to the minister that the commission's recommendations apply to the Yukon territory as much as to territory lying on the other side of the Richardson Mountains. One recommendation was that Indian people ought to have a representative in court. It does not matter whether he comes from the Department of Indian Affairs or the Department of Justice.

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Knowles (Winnipeg North Centre): Finish what you were saying.

Mr. Nielsen: Could I finish the sentence, Mr. Speaker? If the government does not wish to vote funds to provide counsel, at least it should instigate a policy under which someone will be present in court to advise Indian people what the proceedings are all about, before anyone is sent to jail.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I begin by saying that the minister had some good things to say today, especially when he announced that in future less paternalism would be displayed towards our Indian population since Indians are now able to speak for themselves. Frankly, some of us would take the minister's statements more seriously if we had not heard similar statements so often in the past. If my memory serves me correctly, the present minister is the fifth minister to hold the Indian Affairs portfolio since 1963. Former ministers were, I think, Mr. Favreau, Mr. Nicholson, the present Minister of Public Works (Mr. Laing) and the minister responsible for regional development (Mr. Marchand). I may not be entirely accurate about the ministers who held the portfolio; yet, I think all this minister's predecessors made a speech almost exactly the same as the one he made today. The Indians of Canada will believe in the government's good intentions when they see actions taking the place of words.

I did not think I would ever agree with anything the premier of Saskatchewan said, but I must confess I agree with his assertion made in the provincial legislature in Regina yesterday that, with respect to our Indians, we are sitting on a time bomb. The St. Regis Indians have blockaded the bridge crossing their reservation. There is trouble at the Pas where the Indians have been picketing a health centre because they believe the person running it is displaying discriminatory attitudes. Then, we have the disgrace of Akaitcho Hall, Yellowknife, where the students are living under conditions that would not be tolerated by any other student group in this country. There, students 19, 20 and 21 years of age, are being treated as second class citizens. They are not allowed out in the evening without a written pass. They cannot go from the hospital to the gymnasium in the school without obtaining a written pass and giving it back to their superiors when they return. They cannot smoke or drink, even where the law permits them to do so. In addition, they need a special permit to visit the old part of Yellowknife. Why is that, Mr. Speaker? Other Indians live in the old part of town, and the students need special permission before going there. The minister has had sufficient time to investigate what is going on in Akaitcho Hall. The difficulties there continue because many in this country believe that Indians are not as good as the rest of us. When the minister allows the current situation there to continue, he helps to foster the kind of thinking prevalent among some sections of our community. No wonder our Indians are concerned about what is happening.

I am ashamed that a magistrate of my city who sees Indians in court every day, and deals with their alleged infractions of the law, saw fit to appear on the national television program the "Public Eye" and make the statement reported in a letter that Chief Courchene sent. According to the letter, Magistrate Rice said:

> I have never come across a married Indian Couple ... There is something in their blood, I don't know what it is but an Indian and alcohol just don't mix ... An Indian woman told me—I guess she was an Indian, I can't tell the difference between an Indian and a Metis—if abortions were allowed she would have to have an abortion every morning.

In view of statements like these, is it any wonder our Indians are becoming restless, that they are beginning to demonstrate and that we face the possibility of violence? I suggest that the time for talk is over and the time for action has arrived.

The fifth annual review of the Economic Council shows that the life expectancy of the average Indian woman in Canada is 25 years, compared with 64 years for the rest of our population. Most Indians in Canada enjoy incomes of less than $3,000 a year and half our Indians enjoy incomes below $2,000 a year. Many Indians in this country live in poverty, and not much help is being extended to them. All these facts are well known.

Although it is important for us to know of the activities of the Indian Claims Commission, it is more important for us to know whether the government will act to help our Indians. Will it eliminate or reduce the bureaucracy which has directed every facet of Indian life here for more than 100 years? Will it allow Indians to decide what is good

for them and what programs ought to be introduced for their benefit?

The minister has been making all the right speeches. Although he insists that the reorganization of the department was only an internal, administration reorganization—I see he shakes his head in agreement—the Indians did not see it in that light. I have travelled extensively in this country and am aware of many Indian problems. I know Indian leaders in Manitoba, Alberta and in northwestern Ontario. Almost universally, they consider the reorganization of the department to be an attempt on the part of the bureaucracy within the department to grab more power.

• (5:40 p.m.)

In the opinion of Indians with whom I have talked, the minister of Indian Affairs and Northern Development (Mr. Chrétien) is the pawn of the bureaucracy. They believe that the person who urged an extension of democracy for Indians and urged a policy whereby Indians would be given more and more say in deciding their destiny, was the Minister without Portfolio (Mr. Andras). They believe that in the struggle for power which took place the Prime Minister (Mr. Trudeau) opted for the Minister of Indian Affairs and Northern Development and for a further extension of this bureaucracy. Since those charges were made last October, the minister has repeatedly said they were not true. It really does not matter what the minister or I say, Mr. Speaker, because the time for talking is rapidly disappearing. In the next month or two the minister must cut down on the bureaucracy and give the Indians more say with regard to their educational problems, welfare and economic development matters. Unless the minister does this, Indians and other people in Canada will know that bureaucracy has won again, as it has for more than one hundred years.

There is no use in just talking, the minister must act. This is not the first attempt to permit Indians to have more say in their own affairs. It is only a matter of three or four years since the cabinet, on the recommendation of a minister who I think was the best that department ever had—

An hon. Member: Which one?

Mr. Orlikow: —the late Hon. Guy Favreau —approved a bold new program. I could read statements made by Mr. Favreau and other representatives of the government at that time regarding the program of community development whereby people trained in social work, anthropology and social science would be employed by the department to live with the Indians and determine their needs. We were told this would be the salvation of the Indian people of Canada. Where is that community development program? It is gone. It is dead. There are still a few community development officers, but the program is dead because once these officers put into words the desires and demands of the Indian people the bureaucracy in Ottawa said, these officers are trouble-makers and must go. The minister can say that is not true, but they went.

To demonstrate the truth of what I am saying, I want to quote from a letter written to the former Prime Minister, the Right Hon. Lester B. Pearson on January 4, 1968 by the then President of the Indian-Eskimo Association of Canada. I will quote a few paragraphs of that letter to prove the points I have been making. I read from this letter:

> For more than a year, the concern of the Indian-Eskimo Association of Canada over the low attainment and apparent decline of the government's community development program in Indian reserve communities has continued to mount.

It goes on to say:

> Our own assessment of the gross under-achievement of this program has been reinforced by repeated appeals from Indian persons and community development personnel in the field, both federal and provincial, urging the I.E.A. to seek a thoroughgoing appraisal of the program and its revitalization.

The letter goes on to say:

> We take this course believing that the present program of community development is subsiding towards failure. While there may be many contributing causes, such as the costly failure to co-ordinate the scattered federal resources now being expended on community development, the program's real problems seem rooted in inappropriate administrative and management structures and methods and inadequate resources.

It later states:

> Piecemeal measures or the pouring of additional funds into existing structures and programs will not, in our opinion, reverse or significantly change present trends. These trends lead to increasing dependence on welfare, high incidence of conflict with the law, low levels of economic capability and serious family and social breakdown.

It later goes on to say:

> To bring the energy and intelligence of the Indian people into the struggle for standards of life equal to that of most other citizens will require a substantially new approach.

Then, Mr. Speaker, there are some recommendations in the letter:

> In summary, we recommend:
>
> That the principal developmental functions now housed in the Indian Affairs Branch be invested

in an Indian Development Corporation as described in the attached report.

When the President of the Indian-Eskimo Association wrote that letter he suggested that the program of economic development should be a separate program. I continue reading from the letter:

> This Indian Development Corporation would serve as an intermediary device through which services of federal and provincial agencies would be made available in a co-ordinated way to native communities in response to community initiatives stimulated by community development activity.

The letter further states:

> That a task force be appointed and charged with conducting throughout Canada an immediate examination of the present community development program. The task force should hold intensive discussions with Indian communities and organizations, provincial authorities, community development personnel and others—

> In addition to the appointment of a task force for Indian Affairs with particular reference to community development, we respectfully recommend an on-going series of discussions between federal and provincial ministers, including talks between the Prime Minister and provincial premiers, aimed at co-ordinating and adapting federal and provincial services and programs to fit the needs of Indian and Metis communities and persons.

• (5:50 p.m.)

Who wrote that letter? It was none other than the hon. member for Scarborough East (Mr. O'Connell), who was not then a member of parliament but president of the Indian Eskimo Association. I submit everything in that letter written by him was true when it was written, and that basically nothing has changed. I submit that nothing the minister has said today, or any other day, has indicated that the department has any other intention but to continue to tell the Indians what they need to do if they are to get the help which they must have.

I want to suggest to the minister that if he wants to get a basic understanding of the problems of Indians he should look at the decision the United States Supreme Court made more than ten years ago. At that time the Court was asked to deal with the constitutionality of the laws in the American southern states which provided for what were called equal but separate schools. In other words, it was legal in the American south to have two school systems, one for the white young people and another for the black young people, so long as both provided the same kind and quality of education.

The United States Supreme Court brought down an historic decision. It said that even if the educational facilities provided for the Negro people of the southern states were equal in quality to those provided for the white people, and even if the same amount of money were spent for their education as for the education of the white people—that was not true, but even if it were true—their education would not be equal because they were segregated.

I think the minister would like to do the right thing. I suggest to him that until he and the government make up their minds that they have to ignore the recommendations of the top officials of the department, who will for the next 100 years, if we permit it, find reasons—

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member but his time has expired unless by unanimous consent he may continue.

Some hon. Members: Continue.

Mr. Orlikow: I conclude by saying that the bureaucrats of the department will find reasons and excuses why the time will never be ripe to permit the Indians to become full fledged citizens able to manage their own affairs, able to make their own decisions, able not just to make the right decisions but, like the rest of us, to make the wrong decisions and to learn from them.

Until the minister realizes that, until he becomes the real director of the department, until he stops taking the day to day advice of his officials who have been wrong for 100 years and will be wrong for the next 100 years if we allow them, the problems of the Indian people—it is even wrong to talk about it in this way—the problems of a group of Canadians will never be solved.

I began by saying that the minister said some very good things, and I close by saying that we members of parliament, and more so the Indian people of Canada, have had enough of the fine speeches. What we want is some action.

Mr. Len Marchand: (Kamloops-Cariboo): Mr. Speaker, it is almost six o'clock. I wish to make a few remarks on this subject and I would like to have some continuity to them. Therefore, may I call it six o'clock?

The Acting Speaker (Mr. Béchard): Is this agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North (Mr. Orlikow)—Science Services—Ministerial responsibility for policy; the hon. member for Compton (Mr. Latulippe)—Regional Disparities; the hon. member for Surrey (Mr. Mather)—Mail Rate—Non-profit publications.

It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

BUSINESS OF SUPPLY

The house resumed consideration of the motion (Mr. Howard):

That in the opinion of this House the government, in spite of successive admissions of its failure to deal adequately with the various social and economic problems confronting our native Indian people, is following a course which threatens to perpetuate the denial of fundamental human rights and freedoms, to continue the destructive effects of paternalism, and to maintain discrimination based upon a cultural inheritance together with a general negation of human dignity and respect for our native people.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I welcome this opportunity to make a few remarks in this debate about the native peoples. I should also like to commend the hon. member for Skeena (Mr. Howard) for introducing this motion. It is a good indication of the concern that all members of parliament have about the plight of the Indian peoples. I should say too that Canadians in all walks of life have never been more concerned about them. This is a good thing because, as has been generally known, the native peoples face some very great difficulties. The standard of living of too many of the Indian people in respect of income, health, housing, and other factors is much lower than is acceptable to the Canadian people. It would be useless, however, to dwell at great length on all things that are wrong. I think many of the wrongs have been pointed out pretty adequately today by hon. members on both sides of the house.

The Minister of Indian Affairs, and Northern Development (Mr. Chrétien) gave an excellent address today. I think he presented a balanced picture of what the situation is today and what the government is trying to do to alleviate the conditions under which many of the Indian people are living. There are many, many good things the Indians are doing in addition to the many things that are wrong. I think the minister pointed this out as well in his remarks.

I should like to deal with a few of the remarks that were made today by some hon. members. The hon. member for Skeena referred to the problem as a fungus growth that is still growing and getting worse all the time, indicating that no progress has been made. I reject his suggestion that the Indian people are a fungus growth.

Mr. Howard (Skeena): Then, why did you not listen to what I said?

Mr. Marchand (Kamloops-Cariboo): I did. I know the hon. member did not mean that some of us are fungi, but nevertheless the inference is there.

Mr. Howard (Skeena): That is not true.

Mr. Marchand (Kamloops-Cariboo): It is a ridiculous statement and I reject it. The department is dealing with Indians. I think the hon. member should perhaps consider his choice of words. Under any circumstances, I reject the statement.

Mr. Howard (Skeena): I rise on a matter of order, Mr. Speaker. I know the hon. gentleman wants to be truthful and correct. He is not being so in this instance. I do not want to become involved in a dialogue with him about it. What I said was that when, in 1867, the Fathers of Confederation decided that Indians on the land reserved for Indians should be under the exclusive jurisdiction of the federal parliament they started a program of paternalism. It is that paternalism that is the fungus growth which is still growing. I reject any implication on the part of the hon. member that I said otherwise.

Mr. Marchand (Kamloops-Cariboo): I also reject the suggestion that we are not making any progress. Indians today are on the move as they have never been before. They are participating more and more in Canadian life

than they have ever done before. This is a good thing. We must participate as people in all aspects of Canadian life, economic, social and political. I should like to point out some examples of the progress the Indian people are making. These are not propaganda items from the Department of Indian affairs, as has been suggested by some hon. members. These are things the Indians are doing themselves. I have a clipping from the *Financial Post* dated August 10, 1968. The headline reads "Squamish Indians' enterprise transforms wasteland into profitable trailer park". The article goes on to say:

While some Indians across Canada are campaigning without much success for aboriginal land rights or seeking special concessions and compensation, Dan Baker, member of the council of the Squamish Indian tribe, has found that self-help and free enterprise can be far more satisfying—and profitable.

Dan, whose brother Simon is chief of the tribe, was inspired two years ago with what seemed at the time to be an almost impossible idea. The Squamish band for many years has held a strip of waterfront land facing Burrard Inlet, opposite Vancouver, some of which is now under lease to the municipalities of West Vancouver and North Vancouver.

At a point where the Capilano River, which rises in the North Shore mountains, meets tidewater near the Lions Gate bridge, there was a strip of timbered flat land undeveloped and apparently unwanted.

To Dan Baker the situation spelled opportunity. Wouldn't this be a wonderful location for a trailer park? The more he thought about it, the more he was impressed with the possibilities.

The land lies just across the Capilano River from the prestigious Park Royal area with its complex of high-rise apartments, shopping centres, specialty shops, theatres.

When Baker, with some encouragement from the federal Indian Affairs Department, made a modest start in clearing a part of the land for his trailer park, discriminating residents of West Vancouver, including members of the municipal council, were slightly aghast.

All that was several months ago. Today, it is obvious that Dan Baker's Capilano Mobile Park is an asset instead of any eyesore. Baker himself, his fellow tribe members and North Shore municipal officials are happy.

Because of the exacting standards set for intending residents—individual trailers cost from $8,000 to more than $20,000—the community has appealed only to people of means, many of them retired or semi-retired, who like the idea of living beside the river, in a dwelling free from the discomforts of apartment life and the inconvenience and high cost of maintaining conventional homes.

• (8:10 p.m.)

The land is leased by Baker and his partner, Roger Battryn, from the Capilano band on a three-year renewable permit, and the band receives 10 per cent of the gross revenue from the project, which represents a total investment of about $100,000.

Occupants of the trailers, which are surrounded by carefully maintained lawns and park-like environment, pay $65 a month for parking. About 40 such homes occupy the ground now, with room for about 35 more.

In so far as education is concerned, more Indians are being educated than ever before, and more and more of them want to be educated. They want to be educated along with other Canadians, and this is being done.

I remember that when I went to university there were only three or four of us attending the University of British Columbia. That was in 1955. Today, Mr. Speaker, there are some sixty members of various Indian bands in British Columbia attending the University of British Columbia. I think this is progress. The hon. member for Skeena says that nothing is being done, that no progress is being made. I repeat, Mr. Speaker, the Indian people are on the move today as they have never been before.

I am not going to sing the praises of the government for its treatment of the Indian peoples. Successive governments have failed to do the job that was required of them. But I do not want always to dwell on the things that have been wrong in the past. We must address ourselves resolutely to the future.

I paid tribute in my maiden speech, Mr. Speaker, to the right hon. gentleman for Prince Albert (Mr. Diefenbaker) for giving the Indians the vote. This was one of the great decisions that the right hon. gentleman made during his time as Prime Minister. I also said, Mr. Speaker, and I would like to repeat, that more was done for the Indian people by the government of the Right Hon. Lester B. Pearson than was done at any other time in our history. I would like to just list a few of those things to refresh the memories of hon. members on the other side.

Mr. Pearson's government announced a $112 million housing program. Loans from C.M.H.C. were made available for Indians to build houses on the reserves. An off-reserve housing program was introduced. I spoke to many, many Indians about this in various parts of the country, especially in British Columbia where this program was welcomed and has helped them a great deal to find a new life in the cities where other Canadians are living.

Federal spending in the years 1962-63 on Indian affairs was about $51 million. Federal spending in the years 1968-69 is almost $140 million. I think this is progress. I think it indicates the government's concern about the

native peoples and its desire to do something to help them to help themselves. I agree with many hon. members who have said that the objective of all members must be to work for the minister of Indian affairs in order to see that he works himself out of a job. It is basically wrong that there should be a department of government devoted to a particular race of people.

I would welcome the abolition of the department of Indian affairs and the Indian Act. There should not be special status in Canada for any group of people. There should not have to be special laws saying that I am an Indian. We are all Canadians.

But, Mr. Speaker, I think it is unrealistic that we should expect the Indian Act to be abolished right now. This is not the wish of the Indian people. The impression that I get from them is that they would like to see progressive options made available in the Indian Act until they can get on their feet, do many things for themselves and function as communities on the same basis as many other communities.

The hon. member for Skeena talked about consultations and meeting the wishes of the Indian people. At another point he said that the government should abolish the department of Indian affairs. I am not sure what he means, Mr. Speaker, I do not understand this type of language. The minister of Indian Affairs made it pretty clear that we are consulting the Indian people as widely as possible on the changes that they want in the Indian Act. This is a good thing and I welcome it. Never before in history have such wide consultations been held to amend a portion of the Indian Act or the Indian Act in total. The Indian people have been very concerned that everything was coming from the top, being fed down to them and handed to them as a fait accompli. I am glad to say that this is no longer the case. I am confident that when the new policy on Indian Affairs is announced, the new act is introduced and the claims bill is introduced, the wishes of the Indian people will be reflected therein.

The hon. member for Skeena also quoted several figures in regard to average age at death, and in the same breath was talking about life expectancy. If the figures that the hon. member was using are true, I should be almost dead. I want to assure you, Mr. Speaker, that I think I still have a few years left.

Mr. Lewis: If not, the average would be still lower.

[Mr. Marchand (Kamloops-Cariboo).]

Mr. Marchand (Kamloops-Cariboo): To clarify the record, average age at death reflects the age at which a certain number of persons die. Life expectancy reflects the average number of years of life for those who are still living. For example, if one person of 80 and a one year old baby die, the average age at death is about 40. If an 80 year old person and two one year old twins die, the average age at death is roughly 27. To clarify the record further, Mr. Speaker, the life expectancy of Indian men is 59.61 years at birth; life expectancy of non-Indian men at birth is 63.35 years. Life expectancy of Indian women at birth is 63.23 years; life expectancy of non-Indian women at birth is 74.17.

Mr. Lewis: I am sorry to interrupt the hon. member, but I should like to ask him a question if he would not object.

Mr. Marchand (Kamloops-Cariboo): When I am finished. Statistics can often be misleading, and I am sorry to say that misleading statistics have often been used against the department of Indian affairs when it has been convenient for hon. members to suggest how bad things are. When the report on Indians and the law came out there was a story in one newspaper to the effect that 100 per cent of the women in the Kamloops jail were Indians. I was very alarmed at this statistic and I phoned Mr. Gus Godfriedson, an old friend in Kamloops, to ask what was going on and whether this was a true figure. He said, "Not that I am aware of. I know of one woman who has been in jail in Kamloops from time to time. If you call that 100 per cent, I guess the figure is correct."

With the best intentions in the world, members wound the Indian people when they use such figures. We are a proud people and there are many things that work against us. But most of them are not intentional, and we would hate to feel that they are.

As I have said before, the Indians have many accomplishments of which they can justly be proud. Most of us know that from time to time the department is a help. On the other hand, from time to time the department is not as helpful as we would like it to be. In our emotional moments many of us may blame the department for many things. But if we are to debate the future of the Indian people on an adequate basis, we will have to recognize that many things are being done by the Indian people. Many things are being done by various agencies of government, including the Indian Affairs branch. Still more things

remain to be done. But most Indian people today know that things are very different from what they were. Those who read the record of this debate will surely feel that members on all sides of the house want to do a better job for them.

• (8:20 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I appreciate very much the statement of the hon. member who spoke before me, but nevertheless we much understand that within his party the hon. member may feel a little too bound to defend party policy. Certainly he is right to rejoice over the fact that we now appear willing to give a final solution to the Indian problem.

But if we consider the present situation that was permitted to develop for many years, not to say centuries, we should wonder what will be the results of the new government policy. Why? Because the situation has become so serious that one wonders if it might not be too late for a solution.

I would now like to make a comparison between the fate of as important a minority as the French Canadians and that of the Canadian Indians. We French Canadians have been fighting since 1760 against complete assimilation, against the loss of our rights and prerogatives. We are in a position to understand the problems of a race doomed to extinction, judging by the views which have been prevailing for a long time in this government.

So I can well understand the Indian problem. The principle according to which everyone should be allowed to remain himself is so true and enriching in a country like Canada that every effort should have been made in the past to make sure that the Indians, the first and most important inhabitants of our country, remain themselves.

The government is now trying to correct the situation and if the Indians themselves believe that this will be successful, I am the first to be delighted about it.

I doubt it, but this day may have helped in finding a real and definite solution to the problem.

I would also like to speak about the problems of the Eskimos, especially those living in northern Quebec. Even if it is now possible to give them the means to be independent, we should not prevent them from leading a fuller and richer life. I know that, in Northern Quebec, the Eskimo Association carries out the contracts granted by the government in that region. So, if the Eskimos are ready to look after their own affairs, to invest their profits to their advantage in their own region, that could be a partial solution to the problem.

Consequently, foreign companies, and more particularly American companies, should not be allowed to take over the implementation of those contracts, to make profits and invest them in the States or in a country other than Canada, above all when Eskimos can run their business by themselves to their own profit. Apart from being an incentive for employment in those areas, the implementation of those contracts would enable the Eskimos to make money, as the Americans have always done. That would make them more independent, freer, for they would no longer have to make do with the welfare allowances that they get at the present time.

All those problems should therefore be considered in a very open way and we should not give with one hand what we take with the other. If we really want the Indians or the Eskimos to enrich our national heritage, we should let them have their own way and facilitate their self-determination, by all possible means.

[*English*]

Mr. Paul St-Pierre (Coast Chilcotin): Mr. Speaker, I should like to read a portion of the motion of the hon. member for Skeena (Mr. Howard):

> That in the opinion of this house the government—

Then, I omit some words,

> —is following a course which threatens to perpetuate the denial of fundamental human rights and freedoms, to continue the destructive effects of paternalism, and to maintain discrimination based upon a cultural inheritance together with a general negation of human dignity and respect for our native people.

When I read the motion of the hon. member, it seemed to me that he was being unnecessarily pessimistic, negative and totally uninspiring. It did not sound like him. The hon. gentleman is from a riding neighbouring mine. I know that his interest in the Indian people is genuine, deep, and of every long standing. Listening to him tonight, I did not find that his language matched the slightly intemperate tone of the motion itself. I found him generally non-partisan, very fair for the

most part and, again, speaking out of a considerable body of knowledge on a subject that has interested him for a long time.

He is one of the people in this house who took an interest in what has come to be called the Indian problem while numerous other Canadians, who at times now take a somewhat noisy interest in the matter, were quite silent and indifferent. If I start on a slightly critical note in reviewing what the hon. member for Skeena said, it is because I am leading up to a point. I should like to refer to one section of his remarks in which he was criticizing the booklet "Choosing a Path" which was distributed to the consultative groups as they met across Canada. The hon. member referred to the section which asked the Indians what they thought of the Indian liquor legislation. He went on to ask: Isn't this ridiculous? How many times have they been asked this question? Could they be blamed if they looked upon it as an insult to their intelligence?

Can we really say this, Mr. Speaker? It is true that they have been asked this question many times. It is true also that they have given many different answers. This does not apply only to Indians. The white people of Canada have, for many generations, asked this question about liquor control. They have given many different answers. They are continuing to give different answers.

• (8:30 p.m.)

In my own province of British Columbia, the provincial government has recently set up another royal commission to investigate the problem of drinking in the province. So, I do not really think that it is an insult to the intelligence of Indians to ask them the question once again, or if it is, it is at least no more insulting than referring the question to yet another royal commission on behalf of the white community. I am not bringing this up to niggle on a small point but to lead to a point which I think is important, and it is this: There is disagreement among the white community in this nation on many issues, and there is disagreement among the Indian community on many issues. It is a good thing that there is. Occasionally, during the course of this debate I have heard mention of this figure called "the Indian" as though every Indian in Canada were somehow merged into a single recognizable entity. This mythical figure we call "the Indian" expresses the unanimous collective thoughts of all the Indians in Canada. This is a false premise and as long as we persist in it in our handling of the important matters of Indian administration, administration by Indians themselves or by the Indian department, we cannot be right. There is no such man as "the Indian" in Canada. Indians are people of immense variety, and there is no reason why they should not disagree. It is true that, for instance, in most of the provinces of Canada there is a single Indian organization. Speaking in terms of fairly large organizations, there are at least four different Indian organizations in British Columbia which have slightly different views on what the course of their people should be. Occasionally these organizations are viewed somewhat critically by the white community. They say: "Why don't you people combine? Why can't you speak for British Columbian Indians with a single voice?"

Some of the people who ask this question sit in this house where there happen to be four political parties, not one of which is in total agreement with any other party. If it is right for us, then it is also right for the Indian, and this leads us a little further. It leads to the question of consultation with the Indians. Let us, and let the minister, recognize the fact that we cannot consult with the Indians of Canada and get one, single, cohesive answer as to what they want. In fact, it is almost an insult to suggest that we can go to the Indians from one side of this nation to the other asking: "Tell us what you want" and assuming that they are all going to tell us the same thing, therefore, it is merely a matter of meeting their requests in greater or lesser degree. This is not to happen. There are great variations even within a single area in my own riding of Coast-Chilcotin. I made a rough calculation a short time ago and I found that there were over 30 reserves in my riding. Many of the people cannot converse with one another except through the medium of the English language because their own languages are of such a vastly different nature.

In the course of the consultation meetings, how many points of view have been put forward on how the Indians feel as to their role as citizens of Canada, citizens of the province, citizens of North America and citizens of what might be called a pan-Indian society? In each case there are at least four distinct views held by the Indians. I should like to quote one from a publication called the "*Indian Magazine*" which I am sure many hon. members who are interested in this subject

receive. Let us see what Chief Max Gros-Louis of Huron Village near Quebec city had to say:

> I can't see the Indians belonging to the provinces, because there's going to be another separation among Indians. We are already separated by the United States. Now if we start separating by provinces, that's going to be the end of the Indian.

That is one man's view. The consultative group has heard from Indians who positively want to be citizens of the province in which they reside. They feel that this is of prime importance to them. They feel that in many provinces of Canada they are being deprived, in greater or lesser degree, of basic rights as provincial citizens. There is a third view among Indians which is that the international border is an artificial line; that it is one which should not apply to them and that the Indian society is not of the nation of Canada nor of the nation of the United States but is a loosely connected society of a single group based on a single culture whose home is North America. There is yet a fourth view held that within Canada the Indian people are not Canadians but are allies of the British Crown; that they are a nation separate within Canada and that their true connection is to the Royal House of Britain.

I am not going to suggest which of these views predominates amongst Indians. I have some ideas, but I do not know whether it is up to me to suggest them at this time. However, I would point out that every one of these views has some legitimacy and every one of them has some followers in Canada. Therefore, whenever I hear that any man, particularly a white man but also an Indian, claims that he knows what all the Indian people of Canada really want, my faith in his knowledge and judgment is diminished. I bring this point forward in connection with the delays in bringing forth the new Indian act and the legislation for an Indian claims commission.

There is one difference between the present administration of the Indian department and those which preceded it. I think it is that we are attempting consultation with the Indian. As the hon. member for Skeena said, we have always claimed we were consulting them, but did we really do it? I can quote a good friend of mine in this regard, Chief Dan George of the Burrard No. 3 reserve. I recall him saying once: "Oh yes, the white man is always coming around and he says to us 'what do you want' but he never waits for us to answer".

I hope that perhaps one time we will wait for the Indian to answer, and we will receive a multitude of replies. Those replies are going to come slowly but surely if we are committed to asking questions and waiting for answers. Then, we cannot arbitrarily say: "Sorry, you are too long in giving your answer. We do not have the time to wait. Here is the new Indian act, take it or leave it". Such a course would be a denial of the fundamental principle, as I understand the minister's remarks, underlying the policy that this department wishes to follow. There are a great many features in it, and I must pass over most of them. It would be ludicrous for me to attempt to review the situation of the Indian in Canada, either historically or at present.

• (8:40 p.m.)

I would not pretend to criticize the record of Canadian white governments in their handling of Indian affairs but at the same time, though speaking from less experience because the period of my close association as a member of parliament has been briefer, I would not attempt to defend all the actions of the present Indian Affairs branch. Like the hon. member for Skeena I have the feeling that it is shot through with a very strong degree of paternalism, and this cannot be good; it must go. I certainly agree that the earlier the Indian Affairs branch can bring about conditions in which it is no longer required, the better it will be for the Indians. There is, however, a point on which I am not clear, though I listened carefully to the hon. member for Skeena in this respect. He was speaking of the Indian Act and it was not clear to me whether or not he was recommending that the Act be abolished. I would be delighted if he would interrupt me and tell me whether or not he advocates the abolition of the Indian Act.

Mr. Howard (Skeena): Yes.

Mr. St-Pierre: I wish I could understand his position; I am sure he will answer me on some occasion. I cannot understand it, now. I, too, would like to see the Indian Act abolished but we must realize that we have certain obligations to the Indians of this country by treaty. Some of these treaties we have bent, and others we have broken. Then, as hon. members are aware, there are Indians in British Columbia with whom we have never signed treaties of any kind. Nevertheless, since we have signed treaties and assumed responsibilities to these people, how are these

responsibilities to be discharged except through an Indian Act—call it by another name, if you wish. I think the Indian people must themselves surrender these special rights voluntarily. We have no right unilaterally to push aside these agreements and wipe this legislation off the books. It seems to me that whether we call it an Indian Act or something else, we must keep legislation respecting the special rights of the Indian people on the law books of this country until and unless they themselves choose to ask that it be removed.

Mr. Howard (Skeena): Right again. Yes.

Mr. St. Pierre: Am I to understand that the hon. member would be satisfied with a change in the name of the act?

Mr. Howard (Skeena): I would say, "no" to that one.

Mr. St-Pierre: There is one other point I should like to raise, and I feel it involves a moral responsibility on the part of the white majority in this country. There are many Indians who wish to leave the reserves, move into white society and integrate completely, losing their Indian identity. This should be their right. Since in most cases they are disadvantaged people, I believe we have a duty to give them special help in this regard. But what of the Indians who wish to remain Indians, who wish to live on their reserves and lead the traditional lives of their people? Is this not also their right? Do they not have the right, if they choose, to continue to exist as a separate, non-integrated group in Canadian society? It seems to me that both by treaty and in terms of ordinary justice the Indians who choose to remain Indians have the right to do so. Does this necessarily place them in the position of being second class citizens? I believe that throughout most of our history this has been the effect. By choosing to live on the reserves, by choosing to retain the old ways, they have tended to become second class citizens. Surely, the Canadian nation can find some way of guaranteeing that these people can live different lives without obliging them to be poor for the most part, as they are, or poorly educated, or discriminated against in any real way because they are Indians.

Surely, out of our present examination of the Indian Act the most important thing we can bring forward is a recognition on the part of the government, on the part of civil servants and on the part of the ordinary people

of Canada that when we meet an Indian we are meeting a person, one individual. And there is every bit as much variety among people of Indian ancestry as there is among people of any other race.

Before I close, I should like to comment on one point made by the hon. member for Skeena. I should like to give my fullest support to his plea for the early setting up of an Indian claims commission. Let us not fool ourselves. The government of this country has neglected to sign treaties such as the Jay Treaty and Treaties 8 and 11 in the north. We have made treaties and broken them. We have failed to make treaties in British Columbia west of the rockies, and in other parts of the north with the Eskimos. This record of doubtful faith, and in some cases of bad and broken faith, is a festering sore in this country. Let us not delay any longer than is necessary before forming an Indian claims commission to review these old disagreements, to patch up old difference and to start us in the 1970s with some of the old hatred and bitterness wiped away. I thank the house for its attention.

Some hon. Members: Hear, hear.

Mr. Paul Yewchuk (Athabasca): In the past several years, Mr. Speaker, certain changes have taken place in the attitude of Canadians toward the Indian population of this country. Public opinion has been aroused. It has been noticed, perhaps as a result of some publicity, that the Indian people are living in conditions which are not comparable with those experienced by non-Indian Canadians. There is an obvious disparity in their means of living in all aspects—a disparity in housing, in economic status, in opportunities for education, and in opportunities to seek the better things which this country has to offer.

As a result of this change in public opinion under the pressure which has been building during the past couple of years, the Indian affairs branch has decided to take a closer look at the Indian Act in its various aspects and to establish whether some of the difficulties which the Indian people experience today may not be correlated with certain aspects of this legislation. I think it is fair to say that public opinion has become aroused because our Indian population in general is becoming more educated. The more educated Indians have become outspoken and have brought their problems to the attention of the Canadian public.

• (8:50 p.m.)

It might be said of the consultations that were begun last fall and completed in January that that was the first occasion on which Indians had the opportunity to meet a minister of the government and express their views to him directly, instead of letting him know their views through the medium of letters sent by mail. Those consultations led many Indians to believe that there is now hope for them to achieve a status enjoyed by the rest of the population. I had the pleasure of attending a couple of those consultations, one in Nanaimo and one in Edmonton, and was impressed by the fact that the complaints of Indians of different areas were very similar. They also expressed a common fear that the results of those consultations would not live up to their expectations. In other words they felt that, as too often in the past, they might be disappointed.

Speaking to the House of Commons Committee on Indian Affairs and Northern Development, the Minister of Indian Affairs and Northern Development said on November 19, 1968, that Indians—

> —must have the same degree of self-governing local institutions as other Canadians. They must have access to the same institutions and programs of government as other Canadians. They must have the opportunities to achieve for themselves their own aspirations.

That statement, at least, holds out hope to our Indians that their lives will improve. I hope the fear Indians have expressed that the consultations will come to nothing are unfounded.

It may be well to examine the most serious problems confronting our Indian peoples. The Indian Act, now being reassessed, generally speaking is too paternalistic and restrictive to allow our Indians to develop properly in our society. As other speakers have said, most Indians are poor, only 25 per cent of employed Indians making more than $2,000 a year. Average per capita income for Indians is $500 a year, compared with $2,500 for other Canadians.

What are the reasons for this disparity? First, because many of our Indians live in isolated communities, they have inadequate opportunities to become educated. Psychologically and sociologically, their education is often inadequate. Also, they do not attain skills necessary to earn a good living. This afternoon the minister said that hon. members should not criticize the government for past inactivity without making constructive suggestions for future programs. I have one or two suggestions for the employment of Indians. My suggestions do not apply to all Indians of this country, but mainly to those of northern Alberta. I am glad the Minister without Portfolio is here to listen to my remarks in this regard.

In the northwestern section of Alberta a new town to be known as Grande Cache will be built within the next couple of years, for the purpose of mining coal. It would seem logical that Indians living in the area should be trained and prepared for employment in the building of this town. They could then be employed in coal mining, once the town has been built up. Possibly such training and retraining may entail co-operation between the Departments of Indian Affairs, Manpower and Regional Development.

As I said a moment ago, lack of education has constituted a serious problem for Indians. The minister has said that Indians must have access to the same sorts of institutions that other Canadians have. May I point out that the community of Fort Chipewyan in the northern part of Alberta, with a population of about 1,500 people, has no high school. The population is largely Indian. How then can the minister say that those Indians should have access to institutions similar to those enjoyed by other Canadians when there is not even a high school for them to attend?

Because many Indians live in isolated areas lack of health services has become a problem. In the north, we have many fairly small settlements, few of which could support a physician. Most of them are serviced by public health nurses or by what are known as nursing stations. A couple of years ago a group of Australians had a song on the Hit Parade. They sang about some sort of flying doctor who was knocked out of the sky by a boomerang. The flying doctor idea is very good, I think. We ought to set up some sort of mobile medical air service to provide improved medical services for Indians in isolated areas. Although the nursing stations can handle many problems, a physicians' help is often invaluable. During my election campaign I visited some of these northern areas with my campaign manager, who introduced me as a physician. It did not take long for me to be surrounded by people complaining of all sorts of illnesses. Eventually I told my manager not to introduce me as a doctor, because I could not look after the medical problems of these people anyway. I did not take my medical

bag with me. The point is that by no stretch of the imagination does our Indian community have adequate health services.

The hon. member for Kamloops-Cariboo (Mr. Marchand) spoke about the problem of Indians and the law. He seemed rather upset by a statement of a previous speaker that all the inmates of one institution in Kamloops consisted of Indians, and refuted that statement. In my hand I hold the booklet entitled, "Indians and The Law" prepared by the Canadian Corrections Association, in August, 1967. Table VII on page 45 indicates that during April, 1966, of 11 females admitted to the Kamloops female section of the western provincial correctional institution, 11 were Indians and Metis. At that time, in that particular institution, 100 per cent of the inmates were Indian or Metis. I do not say this to criticize the hon. member for Kamloops-Cariboo (Mr. Marchand) for trying to minimize the problem Indians are having with the law. It is certainly a major problem.

• (9:00 p.m.)

I think it is fair to say that in most western correctional institutions more than 50 per cent of the inmates are of Indian extraction. This would indicate there is something wrong with our laws which deal with Indians and their particular crimes. A recommendation in this report indicates that the people who prepared it are very concerned about the problem of Indians and the law. The recommendation, in part, reads as follows:

> Provision of special services in magistrates and justices of the peace courts to ensure that Indian and Eskimo people understand and exercise their rights. At present, most do not understand the nature of the charge against them, the type of implication of plea they may enter, court procedures and terminology, the right to speak on their own behalf or to request legal counsel.

This is one area in which we as a society have failed miserably. We have not taken time to examine the problem sufficiently. Something must be done to prevent Indian and Metis people being sent to jail or prison simply because they do not understand their rights, the courts and how they can defend themselves. This situation must be corrected as soon as possible. Translation services, legal counsel and all facilities required to ensure that justice is properly carried out must be offered to Indian people when they appear in court to face charges of various types.

Indians in the province of Alberta feel they are being unjustly treated with regard to

mineral rights. I want to put this on record, Mr. Speaker, because it is important to Indians with whom I am familiar. Many Indian reserves are being explored for oil. Licences are being issued to exploration companies by the government without any consultation with the Indian people. Indians should be entitled to the same royalties as a white farmer. The farmer is able to negotiate an agreement by which he can profit from oil being removed from under his land. The same right does not apply to Indians or Metis living in Metis colonies. This matter must be investigated, and whatever injustice may exist must be corrected.

The problem of poverty is not easy to solve. It is fair to say that poverty has been with man since history was first recorded. Only time can tell if poverty will ever be completely eradicated. Possibly the largest contributing factor to poverty conditions among Indian and Metis people is the fact that they have extremely large families. As I mentioned a few moments ago, the average earning per capita of Indian and Metis people in Canada is approximately $500 a year. I do not have the exact figures from the Dominion Bureau of Statistics, but I think that it is fair to say the average Indian or Metis family consists of five to ten children.

Trying to support five to ten children, send them to school, feed, clothe and provide them with shelter is almost an impossible task. A task of this magnitude would lead the head of a family to despair and discouragement. With the limited skill most of them have, even by working 24 hours a day he could not earn enough to support a family of that size.

In consultations with the Indians, I would suggest it might be appropriate to ask them if they would like to have family planning information distributed to their people. If they are interested, a vigorous program should be instituted. If not, I would suggest the matter be dropped.

I am anxiously awaiting the report of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) which he hopes to discuss at the next consultation meeting to be held in Ottawa. I hope that the Indian people will not be disappointed and that their expectations will be satisfied, at least in part. I hope also after these consultations these people will be made to feel they are part of our country, enjoy the same status as the rest of our citizens and can look forward to a great future.

Mr. P. M. Mahoney (Calgary South): I would be remiss in commencing this speech, Mr. Speaker, if I did not congratulate the hon. member for Athabasca (Mr. Yewchuk) not only for the contribution which he has made to this debate, but the contribution so happily made to his family unit about a week ago.

One misconception regarding mineral rights on Indian reserves should be clarified. The hon. member suggested that Indians do not benefit from their mineral rights to the same extent as farmers. Mineral rights under reservations are the property of the band who own or occupy the reservation. They are approximately in the same position as farmers who own their mineral rights. This is a considerably better position than the bulk of the farmers who have surface rights only.

In participating in this debate, I do not present myself as any sort of an expert, although it has been my experience to have employed a large number of Indians on construction projects in both the Yukon and Northwest Territories, to have participated with the Musqueam band of Vancouver in the development of their property, and to have enjoyed a more casual relationship with numerous prairie Indians.

The most significant lesson I have learned is that in speaking of Indians we are not considering a homogeneous group, identically motivated and moving as one at the same pace toward universally shared objectives. It should not be surprising that they are as diverse in their capacities, their orientations and their objectives as any other similar sized sampling of people.

The present statute enacted in 1951 contains some very strange provisions. I will refer to one of them. It is section 119:

• (9:10 p.m.)

> An Indian child who
> (a) is expelled or suspended from school, or
> (b) refuses or fails to attend school regularly,
> shall be deemed to be a juvenile delinquent within the meaning of the Juvenile Delinquents Act.

There we have it; no indictment, no trial, no judge, no jury, just a criminal record. However, in keeping with the non-partisan character of this debate I wish to report in fairness that when that section was enacted in 1951 no spokesman from any party—and all parties today represented in the house were represented then—objected to that section. Today it is a great commentary on the advance in our thinking that obviously no representative of any party in the house would permit a provision such as that to go forward without very serious challenge indeed.

It seems to me that in this approach to Indians as a unit, the fallacy in our entire policy of the past lies. The fatal flaw of our Indian legislation since its inception has been this idea of considering Indians as a unit, rather than people the same as the rest of us. We are fundamentally wrong when we try, in a particular piece of legislation, to deal with all Indians as though they were a homogenous group, because we attempt to identify an average Indian to whom we can relate the legislation when there is really no such thing.

Having done that, we compound the felony, motivated I am sure, by compassion rather than colonialism, by reducing that average Indian to some sort of lowest common denominator to be sure that we do not treat any unjustly in a material sense, and in the process we treat almost all Indians unjustly in the spiritual sense.

The philosophical dilemma is far from new. I will refer here to the House of Commons debates in 1880, volume 2 at page 1990 and 1991. On the one side of the debate Mr. White of East Hastings said in part:

> We are making them believe that the country will support them, and putting them in a position in which they have no credit or standing in the community. We should no longer treat the Indians as children. Something should be done to put them in a position to make them know and feel that they were responsible to themselves and to the country.

On the other side of the debate, Sir John A. Macdonald said:

> You cannot make an agriculturalist of the Indian. All we can hope for is to wean them, by slow degrees, from their nomadic habits, which have almost become an instinct, and by slow degrees absorb them or settle them on the land. Meantime they must be fairly protected.

That was in 1880. Today, almost 90 years later, the same points of view exist.

The fact remains that Indians are now what is fashionably called, "a visible minority". Policies carried on by governments since the first Indian Act was enacted by the United Provinces of Canada in 1865 have made them basically welfare cases. Because they are a visible minority they are visible welfare cases. There is a stigma to that status, and whether or not we are or should still be obsessed by the guilt that was expressed in the debates of 1880, it seems we must now redirect the legislation and the policy behind it. We must abandon paternalism no matter how

strong the humanitarian impulse is to retain it. We must instead embrace social and economic integration as our objective, recognizing that a transition period of at least two generations will probably be needed to effect the policy in a substantial way.

Above all, we must orient our policy and the administration of it to individuals, to people, not to norms or averages, because when you deal with human beings there are really no norms or averages. The typical or average Indian is a fiction, a creation of administrative convenience. Continuation of the concept will invalidate any policy, however well conceived in its other dimensions.

I am heartened that even with the handicaps of the existing legislation the present minister and his department appear to have taken a human and a personal view towards the Indians, towards their responsibility. I have every confidence that in the new legislation coming before us as a result of the consultations that are going on today our policy for the Indians will be based on compassion and not paternalism, consultation not direction, and participation not dictation.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, I want to compliment the hon. member for Skeena (Mr. Howard) on the manner and the strength with which he brought this motion before the house. I also wish to compliment the minister on the energy he has displayed in his job and his approach to his responsibilities.

I have listened to the whole of today's debate. I was particularly interested when reference was made to outstanding Canadian athletes and I would like to call the attention of the house to the fact that we have many outstanding native athletes. I prefer not to refer to the Indian, the Metis or the Eskimo, but to the native people of Canada.

Perhaps I did not understand the hon. member for Skeena correctly but I thought he said we should no longer pay attention to culture and language. I see the hon. member shaking his head, but I understood him to say that. Anyway, it emphasizes the point I wish to make that the minister, this house and the Canadian people should bend every effort to help maintain the language and the culture of the native people of this country. I think the minister appreciates this.

(9:20 p.m.)

On three particular occasions I have visited what I call native people. The first time I was discouraged. The second was a rather mediocre visit, but the last was a very encouraging visit. Reference has been made to the tide of rising energy among the native people, and to the meetings being held by the minister with them. The last meeting, I understand, was a very good meeting. It was chaired by the minister's associate, the hon. member for Port Arthur (Mr. Andras). At that time there were six persons from Alberta appointed to attend the meeting, but I believe the number now has been reduced to four. I ask particularly why the number should not be six. They would not necessarily all have to be delegates; some could be observers. This would make it possible to have all languages represented. There are two languages which one might say have been left out. I ask the minister very sincerely whether he would consider having six. Two of them could be observers who would pay their own expenses if you like; that would be a matter for the department to decide.

I have experienced great pleasure in visiting the far away—I call them far away, because they are far away from here—native people. I have not been here very long, but I recall a time when the native people had a vote. This gave them not only a vote but also hope. I think the interest that is now being taken here in this house and across the country every day is a very good thing. I have an Indian name of which I am very proud. I cannot pronounce it in the language, but in my language they call me "Weasel Horse." Weasel Horse was a very famous chief who had a good deal to do with enacting Treaty No. 7.

I should like to urge that the minister not only arrange the meeting that was mentioned earlier, but also bring forward the claims commission, or whatever it might be called. I am quite sure that much would be accomplished if this meeting were held quickly. I see no reason for the delay. If necessary it could be a preliminary meeting with perhaps others to follow. I am advised that the native people do not believe the white man because the white man says one thing and something else happens. The first meeting was supposed to have been in January and the second meeting was supposed to have been in March. Now, they have been put off.

What attitude should the native people take under the circumstances? I, myself, would have some question in my mind. I am very sincere in backing up everything that has been said here today. I urge the minister,

however, to call this meeting. When I complimented the minister I meant it quite sincerely; but if this situation continues much longer I will have to take a different view of things. As I mentioned, I was very happy to see the conditions when I visited the far North on my last trip. I found that the native population was increasing and that the school population was increasing. I believe there were some 230 persons in a nice new school which was well heated and well lighted. The children there were happy. I believe the grades carried on through grade 6 and possibly grade 7. When speaking to the people I learned that they objected very strenuously to having to send their children one thousand miles away for ten months of the year in order to continue their education after grade 6 or grade 7. The only answer in this regard that I have had from the department is that it is necessary to educate these people where the employment opportunities are. Quite frankly, I disagree with this. I agree with the native parents who want to have their children at home for a few more years.

I believe the department should consider this very carefully. Home ties are no different when we are speaking about the native people than they are for anyone else. The mothers, fathers and children are no different than I, my family and my children. The minister has gone forward with great strength with, shall I say, the foundation laid by previous governments. I must mention this because everyone in Canada knows the roads to resources and northern development programs came about under a previous government. I say again by way of emphasis that I appreciate the way the present minister is carrying out his duty. I should like to remind him, however, of one or two things to which I take exception. I am not in a position to advise a minister, but if I might use the word "advise" I would say that if children are to be educated where the opportunities are he will find difficulty in bringing people from the Arctic Ocean 1,000 miles away. When a native person is 1,000 miles away he is not at home.

• (9:30 p.m.)

Perhaps there should be further development, particularly in respect of transportation, to open up these communities. That is all that is needed. Perhaps we might call it an "icebreaker" to open the Arctic. Others have used submarines, but I would add a word of caution there. I think that with the energy of the present minister this development to which I have referred will not be long in coming, and I say this in spite of the fact that I sometimes wonder about certain policies of the government. Frankly, I see no point in transporting 200 or 300 children a distance of 1,000 miles when they can stay in a comfortable, warm, well lighted school for 9 months in the year. I sincerely trust this development will take place in the north before these children graduate.

There are many other things I wanted to talk about, but by agreement I am cutting my remarks short. May I compliment the mover of the motion in the same way as I complimented the minister in my opening remarks. I trust that my few points will be noted because they are sincere and heartfelt. With that, Mr. Speaker, I conclude my remarks.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, may I start by apologizing to any members on the other side whom I may have displaced in rising. May I also join many previous speakers in expressing appreciation at the high tone of the debate that has taken place today. This has been one of the more constructive debates it has been my pleasure to hear in this house. There have been 12 or 13 speakers in the debate this afternoon and this evening, every one of whom I believe has added something constructive to the review and to the considerations we must give in formulating a new policy. I do not think I can cover all of the highlights of the speech of each hon. member, but I will attempt to reply in general and to answer quickly one or two questions.

The immediately preceding speaker, known as "Weasel Horse", the hon. member for Lethbridge (Mr. Gundlock), expressed concern at the delay in the national consultation meeting. In the interests of saving time, may I simply refer him to the remarks of my colleague the Minister of Indian Affairs and Northern Development (Mr. Chrétien) earlier today, and also assure the hon. member that we are giving consideration to the question of the number of representatives from Alberta. Some difficult problems are posed but we are going to be very open minded and do all we can to satisfy all concerned. I am sure that, with good will on all sides, a reasonable solution will be found.

The hon. member for Calgary South (Mr. Mahoney), pointed out one rather agonizing section of the Indian Act which by itself, if for no other reason, indicates the great need for change. The hon. member referred to the Indian child who misses school occasionally

and is automatically labelled a juvenile delinquent without due process of law.

The hon. member for Athabasca (Mr. Yewchuk) had some worthwhile comments to make, though too many for me to refer to them all. He referred to the need for family planning. I was impressed by the way he put it, that we should ask the Indian people what they wanted, rather than in any sense imposing something upon them. He also referred to flying doctors. I think it is fairly well known that the Minister of National Health and Welfare (Mr. Munro) has been negotiating with the Canadian Medical Association and with regional and provincial medical associations to see whether a voluntary roster system could be instituted that would bring better service to Indian communities in more remote areas.

The hon. member for Coast Chilcotin (Mr. St. Pierre) made reference to the various differences of opinion existing among Indian people from coast to coast. I hope to refer to his rather interesting comments later.

The hon. member for Kamloops-Cariboo (Mr. Marchand) made a very pertinent observation when he talked of the need for all of us to recognize the great progress that is being made by many Indian people. So often in watching television I am concerned that, while undeniably poverty among the Indian people is shown, and while unfortunately there is a high rate of alcoholism and a rising rate of crime among the Indian people, a balanced picture is not presented. The other side of the coin, is not shown indicating the great progress that has been made by more and more of our Indian people. I think it is important that we give a balanced picture, and certainly that was one of the many contributions the hon. member made in his remarks.

The hon. member for Winnipeg North (Mr. Orlikow) made several constructive suggestions with which I cannot deal in detail. One of them was the thought—a thought that we are considering—that there should be established Indian development corporations; that there is a general need for decentralization and for economic development as a whole. I also join with the hon. member in expressing my distaste of what I saw on the television program "The Public Eye" to which he referred, when a rather prominent citizen made such a bigoted comment about Indians, their blood content, and their difficulties with alcohol. I think this program made all of us who are at all sensitive to the situation cringe.

The hon. member for Churchill (Mr. Simpson) and others referred to the need for a higher priority to be given by the government in meeting the problems of our native Indian people.

Hon. members will probably be surprised to hear me say that the motion that began this debate is a good one. I think the wording is appropriate and set the tone of the debate, which has stayed on a fairly high plane.

The corollary to this motion is for the government, I hope helped by the opposition, to not pursue a course, whether innocently, mistakenly or deliberately, that will meet the objectives and cause the results that are inherent in the words contained in the motion. We must, of course, remove and eliminate the destructive effects of paternalism by removing paternalism. We must eliminate discrimination, and discrimination there is in this country. In our course of action, we must restore human dignity, respect, pride and self-confidence to a group of people who have been alienated by many factors, not the least of which have been the policies of the past.

In his elaboration the hon. member for Skeena (Mr. Howard) went back—and this is what has impressed me most of all in this debate—to examine the basic assumptions upon which our policy should be founded. He questioned those basic assumptions in the comments or partial solutions that he offered.

Specifically the criticism that is inherent in the motion before us today is contained in an expression of cynicism as to whether the government is going to take action. All I would say about that is that personally I am absolutely convinced that it will not be very long before action is taken and that there will be a constructive change in policy. I appreciate the fact—and many people have made this point today—that it is no longer a time for sweet words and speeches; it is a time for action.

• (9:40 p.m.)

The other inherent criticism in the motion, referred to by the hon. member for Churchill (Mr. Simpson) and others, was the delay in announcing policy. I, and I know my colleague the Minister of Indian Affairs and Northern Development and other colleagues in the cabinet, are also impatient to take the necessary action and to move on this whole situation. When my colleague the Minister of Indian Affairs and Northern Development

and the Prime Minister (Mr. Trudeau) discussed with me the assignment to work with them in identifying the problems and to recommend to them and the cabinet possible avenues for change, I felt it was necessary to charge out because, in the first place, one of the more specific matters to accomplish was the immediate revision of the Indian Act.

The first meeting which I attended, in Yellowknife last July, taught me very quickly that perhaps speed was required but haste was not a good idea. There were many aspects of this whole situation that had to be examined in depth after consultation with and listening to the views of Indian people. I think the real point is that we must move on a timetable that is acceptable to the Indian people. We must not try to meet some artificial deadline that might be suggested, and in the process fail to apply the wisdom that the situation needs after 300 years of neglect and incorrect policies.

I think it would be presumptuous of us as a government if, after seven months of consultation with Indian people across this country and an exchange of views such as we had in the consultations ending only four or five weeks ago, we had presented immediately to this house, the Indian people and the nation a package policy. If we had done that, I think it would have indicated to all concerned that we had made up our minds long ahead of time and were not really listening to the recommendations and points of view expressed during the 17 consultation meetings just ended. We had to have time and we must continue to take the time, to digest all the views and opinions expressed in the last eight months. I cannot see the wisdom or value to anybody in proceeding with a new policy without the input that is necessary from all these consultation meetings.

There has been criticism of the consultation meetings. I think the degree of criticism is in many ways far from justified. These meetings were far from perfect, but we should not go to the other side of the spectrum and say they were hopeless, useless or, as some have said, a facade. They were open meetings. It may have been specifically said that the purpose of the consultation meetings was simply to examine the proposed revisions of the Indian Act. But from the very first meeting, and in every subsequent meeting, there was no attempt on anybody's part, whether he was a minister or not, to suppress any point of view expressed about any matter bothering the Indian delegates who attended.

These meetings covered the whole range of local problems, regional problems, national problems, the Indian's suspicion of government, their cynicism, treaty rights and aboriginal rights; in fact, the whole gamut and range of frustrations and grievances that has built up over the centuries in respect of the non-Indian, Indian relationship. So, there was no suppression. Although these meetings may not have reached all the objectives we might have had in mind, I think it was a very valuable exercise and within a short time there will be in the policies that will be announced some indication of the value that came from those meetings.

As most hon. members know, there were 17 meetings. I believe all but one of them was attended by a minister, either my colleague the Minister of Indian Affairs and Northern Development or myself. Of the 17 meetings I know my colleague was at eight, and I was at ten. There was only one, in Prince George, which we regret we did not attend. This was due to circumstances which arose very suddenly and could not be avoided.

There are in this country 558 Indian bands, and in those 17 consultation meetings 530 were represented. I think that is a pretty good representation. This brings to mind one of the problems we face and with which we must deal. We must have understanding in this respect, and perhaps some adjustment from the Indian people themselves. The hon. member for Kenora-Rainy River (Mr. Reid) referred to the fact that Indian people do not view representation, the delegation of authority and the appointment of spokesmen, in the same manner as non-Indians. I have learned during the last few months that there is a tendency in the Indian community to seek consensus and unanimity. Often no one person is designated as the spokesman for a group of people. Often at these consultation meetings an Indian delegate would rise right at the beginning, to make it clear, and say: I speak for myself. In their gentle, effusive and humble way they would indicate that they were not taking unto themselves the authority to speak on behalf of other people.

There were many things wrong with the consultation meetings. There was insufficient opportunity for the Indians to consult amongst themselves beforehand. I think we have learned a great deal from that. At the same time, I think it was an exercise in consultation the like of which has never before been conducted by any government with any group of people in this country.

We are embarking upon new policies. New policies will succeed, obviously, only if we insist in seeking the right answers with clarity and consistency in both the definition of the objectives we are seeking and the selection of the means of realizing them. In this process we must all ask ourselves certain basic, fundamental questions. Then, we have to try and answer those questions. Hopefully, from the questions and the answers will come enlightened policy. Some of these questions are: In what way are Indians excluded from our society? In what ways have they been disadvantaged? How did they come to be that way? What obstacles stand in the way of their achieving equal citizenship and full participation? Then the obvious question is: What actions and measures can be expected to overcome these obstacles?

I think in answering these questions it is important to examine the jurisdictional, legal, administrative, social and economic factors which shape the present status of Indian people and native peoples in our society. We must look at the special legal status of these people. We must recognize and consider the poverty aspects involved, their alienation, cynicism, mistrust of government and obvious isolation from the larger society.

The hon. member for Skeena referred this afternoon to the supposed basis for federal government acceptance of responsibility in this field. He referred to section 91, paragraph 24, of the British North America Act, which assigns the making of laws, of legislation respecting "Indians and lands reserved for the Indians" to the jurisdiction of the federal government. I do not know that this, to the exclusion of change, means that it has to be totally, utterly and exclusively the responsibility of the federal government and under its jurisdiction.

Anyway, on that assumption many years ago, and as a consequence, the Indian Act was passed, an administrative structure was created and special policies were developed for this particular ethnic group. Further, the federal government became involved in the provision of a complex set of services for Indians which other Canadians receive from provincial and local governments.

• (9:50 p.m.)

The basic source for defining the policy of the federal government has been the Indian Act. As hon. members know, it is a comprehensive act which defines who shall be considered an Indian and how one can give up Indian status. In so doing, it establishes a special legal category defining certain rights and imposing certain restrictions. It contains provisions dealing with the reserve system, a system of local government, and special sections relating to taxation, liquor, inheritance and education. Although the federal administrative structure, the department of Indian affairs, stems from the Indian Act, a growing number of important departmental programs are marginal or peripheral to the Indian Act: welfare, health, community development, economic development, manpower programs etc.

This has been referred to before as well today, and I will bring it up again. The fact is that the treaties signed with Indians add another dimension to Indian-government relations. Almost all Indians express strong resentment at the failure of the government to honour and fulfill treaty and other obligations and promises. The most important of these pertain to hunting, fishing and trapping, and to the provision of land.

Hon. members have made reference today to the fact that most social and economic indicators show that the majority of Indians live in sub-marginal conditions and that relative to the rest of the population the gap in income levels, health care, educational achievements and occupational skills, while improving, is actually growing wider between the Indians and the non-Indian society. There is a significant factor explaining poverty among native peoples in Indian communities, and that is their geographical dispersion and, in many cases, the remoteness of native communities. In addition, their limited mobility has contributed to making employment and participation in the economy difficult. As a consequence, Indians have been isolated and excluded from the larger society, and the exercise of their basic human rights is seriously restricted.

We have to recognize also that cultural barriers and the insensitivity of the non-Indian society to the heritage and values of Indian life have played and continue to play a major role in excluding native peoples from the mainstream of Canadian life.

Mr. Speaker: Order, please. I regret to have to interrupt the minister but his time has expired, unless there is unanimous agreement to let the minister continue.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we would like to give the minister additional time. Perhaps before it is

ten o'clock I might also indicate we believe there is general agreement to allow the house to sit an extra hour tonight so that two or three more members might take part in this important debate. I mention it now so that in case there is not unanimous consent we could do it by way of a motion. However, perhaps there is unanimous consent.

Mr. Speaker: Is there agreement for the house to sit until eleven o'clock this evening?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered. I believe the order should include a reference to the adjournment proceedings.

Mr. Knowles (Winnipeg North Centre): They can be deferred.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Andras: Mr. Speaker, through you I would like to thank the hon. members for their courtesy in letting me go over my time. I was wound up, and I had no idea the clock was moving that quickly.

I was commenting on the fact that I think we also have to take into consideration, in the evolution of the new policy, the fact that there is an insensitivity of the non-Indian society to the values of Indian life and that this has been a factor in excluding Indians from the mainstream. These barriers are most easily observed at two crucial points. If they could be overcome we could go a long way to correcting the situation.

These two points are where Indians come into contact with our industrial society, in educational institutions and in the labour market. Many native students enter the school system with obviously different cultural orientations and often limited or no knowledge of English or French. The educational process, one of the major instruments of socialization in any society, proves to be for the majority of Indians a maladaptive experience. In terms of getting a job, in many ways the traditional Indian way of life has not prepared the individual for occupational roles in the Canadian labour market. The new demands that they have to face—and so often they face them with a lack of understanding on the part of the people with whom they are mixing—are hard to adapt to and frequently force the Indian person into accepting sporadic, low skill employment instead of a career oriented occupational role.

I believe, and I know my colleague joins me, that in the past Indians have not been adequately consulted nor has their point of view been sufficiently considered in the formulation of policy and the application of programs affecting their lives. Regardless of the type of program, such paternalism and non-involvement only encourages apathy and reduces the effectiveness of any measure because there is a resulting lack of acceptance.

This is a brief exposé of the tangled web of jurisdictions, constitutional problems and contradictory objectives. That web must be untangled. I doubt there is any one single group of actions that will provide instant solutions to the deep social problem that we face with regard to our native people. However, one fact is clear. There must be change, and change there will be. Again I congratulate the hon. member for Skeena and I agree with him that in order to provide meaningful change we must go back to the basic assumptions.

The alternatives—and I just throw these out without commitment because, as hon. members know, we are not in a position to delineate or define our policy—will obviously range from a tremendous increase in the existing structure with more budget applied to it and more people to do more of those kind of things on the one hand, to an alternative similar to the one implied by the hon. member for Skeena, or perhaps some alternatives in between these two. But whatever decision is made as to the basic objective, we must be very careful in analysing, and seeing with all the wisdom that we possess, the consequences that will flow once we have identified the objective we want to pursue. Whatever that solution will be, it must take into account the fact of the poverty among the Indian people. It must given consideration to treaties and rights and the views and attitudes of Indians toward treaties and rights. It must take into consideration and counteract the deeply rooted alienation that exists among the Indian people.

The other point which we must take into account and which has been mentioned by many hon. members is that because of the diversity of opinions and diversity of problems—which incidentally are similar to those found in almost any comparable sized group in Canada, whatever their origin or their racial background—we must be very flexible in our solutions. I do not think we can have one single approach to this.

In conclusion, let me say with all the conviction I can that whatever the solution may be it cannot be unilaterally imposed upon the Indian people. We must take every precaution to ensure that there is consultation and joint effort of the Indian people and the governmental people, whatever level of government is involved. There must be consultation every step of the way. We are fortunate now, as perhaps we would never have been five, ten or fifteen years ago, to recognize that there is great Indian leadership emerging in the Indian community. It is coming from the youth, but all the Indian people are awakening, and through consultation, through their own efforts, through conversations, they are becoming aware of the disparities between their lives and those of the rest of Canadian society. And they want to do something about them. We do have time to make meaningful changes and move along with them. I am encouraged by this debate to feel that this approach will be a non-partisan approach and I think, this, plus all the actions which have been taken by government, will yield solutions which will at least start us along the right path.

• (10:00 p.m.)

Mr. John Burton (Regina East): I think the step taken by the house a few minutes ago in extending this debate is a measure of the concern which is felt about this subject by members in all parts of the house. I am pleased that the debate was extended in order to provide further opportunity for discussion of this important matter.

I wish to say also that I listened with great interest to the Minister without Portfolio, the hon. member for Port Arthur (Mr. Andras). I think he demonstrated an understanding in depth of the problems with which we are grappling in this area. I express the hope tonight that the understanding he demonstrated will be translated into legislative action and government programs and also that these will be followed by adequate implementation. Certainly, such measures will have the full support of members in this quarter of the house.

I think there is no denying that in the past there has been a significant shortfall as between plans and programs with respect to Indians and the achievements which have resulted from them. The same applies to programs and plans with respect to our Eskimo population. I could go into a lengthy analysis of this aspect, but whatever the reasons I think this failure must also be taken into account when we are considering future programs and policies. It is a sad thing for Canadians that this house should find itself today in a position where the social and economic situation of a group of people identified by their race has deteriorated to the point at which some hon. members have found it necessary to draw special attention to it by way of the motion now before us. It is a fact that the situation of the Indian people in Canada today is a national disgrace. The problems faced by Indians were underlined forcibly by the Economic Council in its most recent annual report. As set out on page 121 the Council stated:

> No discussion of poverty in Canada can avoid making special reference to the Indian, Eskimo and Métis members of our society. A few simple statistics tell a brutal story. One is that the average life expectancy of an Indian woman in Canada is 25 years. Another is that the infant mortality rate among Eskimos is about 293 deaths per thousand live births, more than ten times the infant death rate for the population as a whole.

These are not my figures; these are the figures of the Economic Council of Canada which is certainly a reputable organization with the necessary technical skills to produce accurate figures.

I might also draw attention to what is contained in a brief prepared for submission to the national Indian advisory board some three years ago. This is a statement by the Indian affairs branch submitted to the federal-provincial conference on poverty. It dealt with the health of the Indian people and we find that the average age at death of Indian males in 1963 was 33.31 years, and of Indian females, 34.71 years. The document goes on to tell us that the national average ages at death in 1963 were 60.5 for males and 64.1 for females. I might also draw attention to the summary of conclusions reached by the Economic Council, because I think these words are worth putting on record. The council recognized it did not have full capability to cover this field completely through its own operations but, it drew on the experience of many organizations which have given much study to this question.

On this basis, the council came to some conclusions to be drawn in connection with the problems we have been discussing tonight. The Economic Council's report reads, on page 123:

> (1) Indians and Eskimos are treated too much as a special group in ways which exclude them from many of the ordinary provisions of public policy—

(2) Particular efforts will be required to help those Indians, Eskimos, and Métis who are striving to integrate themselves into the larger society—

(3) A third major area of consensus is the need for a "community development" approach to the problems of education, individual development, adaptation to the larger environment, and community organization—

(4) It is clear that however much can be done to develop economic activity on reservations and in other places where significant groups of native peoples live, a continuing substantial migration to urban areas must be expected, notably in Western Canada—

(5) It would also appear useful to initiate an immediate study of federal and provincial legislation and administration practices affecting native peoples.

As has been noted, the standard of debate has been high. We must compliment the hon. member for Skeena for his part in it. He is a recognized authority on matters we have been discussing tonight. I think, nevertheless, it is clear that a common dialogue is developing on this matter. We have had fine speeches this afternoon and this evening but, as the hon. member for Winnipeg North (Mr. Orlikow) said, we need action, not words. We must be careful to define what we mean by action. It is not just a case of spending money or of invoking special programs for this group. It is not just doing things for our Indian, Eskimo and Metis peoples. Our actions involve an intricate, subtle and highly complex process of interaction and development. The federal government is the agency on the spot, holding the ball. In developing its policies it must take into account the history of the conflict of white and Indian peoples, the history of the established branch of government dealing with Indians; its traditions, patterns of operation and so on, as well as the fact that there is segregation in many parts of Canada. The Government must also consider the many economic and social changes taking place in our society.

We cannot blame the federal government as such for our past history in this regard. It is a millstone which must be borne by all in Canada. The federal government has a basic constitutional responsibility to deal with these problems and, in reality, the provinces must also enter the picture.

Why did the hon. member for Skeena introduce the motion before the house, Mr. Speaker? The purpose is not to go over past history. We need to figure out where we are going. We must formulate policies that will lead to advances in this field. We need to avoid the fallacy of just measuring advances on their own merits. It is not a question of whether more people are receiving specified levels of education. The question is whether these advances are keeping pace with the change in times. The problem does not involve money alone. A great deal of money is being spent, and is bringing about great improvements in certain aspects of our population. The question we must ask ourselves is, are we doing an adequate job. Are we serving the short run and long run aspirations of our Indian peoples?

Obviously, many members of the department concerned are competent, dedicated, and are trying to do a good job. But they operate within an institutional framework which stifles any efforts towards fundamental change. The motion has been brought before the house because many of us feel disturbed about what has been happening during the past year. The Prime Minister (Mr. Trudeau) and other members of his party raised the expectation of our Indians when they said the Indian Act would be reviewed and that consultations might take place. Preparations for these consultations were undertaken and a booklet containing 34 questions was prepared. Incidentally, I believe all these questions were prepared for the department by the Indian Advisory Board. As I understand the situation, this is true. All the questions which were placed before the consultation meetings did originate with the particular body, but I would like to know if all the questions requested by the Indian advisory group were included. My information is that they were not, and that some of the exclusions made a significant difference. The approach to these questions was disturbing because it involved a detailed examination. The approach involved simply making revisions and slight changes to the status quo. Consultations were held with varying degrees of success. I want to commend the Minister without Portfolio (Mr. Andras) for his effective and very hard work in this regard. He assured the Indian people no changes would be made in matters affecting them without adequate consultations. I fully believe the minister said this in good faith.

• (10:10 p.m.)

Late last fall the Minister of Indian Affairs and Northern Development (Mr. Chrétien) announced an administrative reorganization. It became obvious there had been no consultation. Protests were made by representatives of Indian organizations. The Minister without Portfolio was put on the spot. He made some rather strong public statements regarding the government and what had happened. I will not at this point say whether he used the best

possible judgment with regard to the specific words he used, but nevertheless the Minister of Indian Affairs and Northern Development replied once more that these were only administrative changes. It became obvious from sources such as the press that the minister was called on the carpet. Eventually, there was an announcement that the lines of authority were clear, the Minister of Indian Affairs and Northern Development was in charge and would be the one to decide what changes would be made to the Indian Act.

I suggest this was more than an administrative change announced by the minister. It involved community development programs. There was a reshuffling of the administrative structure. As pointed out by the hon. member for Winnipeg North (Mr. Orlikow) previous to that the Indian-Eskimo Association had requested that community development programs be turned over to Indian people and Indian organizations. This is a policy matter and would be a fundamental break with the past. There are responsible Indian organizations in Canada today, with capable leaders, who have a rapidly developing capacity. I suggest the first step which should be taken should be to give these organizations the opportunity to manage programs of this sort and to make decisions on these programs. The fundamental principle involved is that of self-determination. With respect to the Indian Act, there is a possible question of semantics involved.

There is no suggestion that treaty, legal and moral obligations made by Canada in the past must be honoured. This must be provided in the legislative framework, under whatever name the particular legislative measure might assume. A fundamental change in approach is needed and the paternalism evident in the past must be dropped. There appears to be more support for this view in all corners of this house. We need to make sure that self-determination is made possible for people of Indian ancestry. This could lead to various patterns in programs and activity. It does not mean that all Indian people will lead the same sort of lives. Involved with this principle of self-determination is the fact that people can live the type of lives they want. This is a fundamental principle to recognize. Furthermore, we need to remove the legal disabilities under which Indian people have to live at the present time.

The fundamental points we have to keep in mind are, first, it must be recognized that Indian people have the right of self-determination. The implications of this principle are that not only does it give Indian people the full right of integration into the community and society as we know it, but also that it gives them the right to live as they wish to live. The right to make their own decision must be recognized.

Second, we must recognize commitments made by Canada as a nation to Indian people. This involves full recognition of commitments regarding land, health and other services. These rights need to be honoured as long as the Indian people collectively or individually wish to retain them.

Third, we need to get away from the centralized control of administration which has for too long featured our Indian affairs programs. Many hon. members will be aware of some of the incredible stories involved in the centralized control and bureaucracy which Indian people encounter at every turn and in almost every day of their lives.

Fourth, we need to ensure that there is integration with the community at large. For too long and under too many jurisdictions, the basic approach has been one of having special programs designed for Indian and Eskimo people. In some instances this cannot be changed overnight, but certainly we do need to adopt a fundamentally new approach.

In my own province of Saskatchewan, there are some 40,000 people of Indian ancestry who are regarded as treaty Indians. There are nearly 40,000 others of mixed ancestry, some of them referred to as Indian people and some as Metis people. There are eight Indian reserves in my own constituency, and a large number of Indians living in the city of Regina. In the past, they lived largely on

In some parts of the province there are still treaty obligations which have not been honoured. In southern Saskatchwan the reserves are largely on agricultural land. The people have lived in a basically rural atmosphere which provided a fairly stable form of existence for some years. The economic instability of the 1930's and the 1940's the political instability and in fact some of the social upheavals of this period, produced great changes. From that time on it became increasingly difficult for people of Indian ancestry to cope with the problems they encountered.

On our reserves we have agricultural land that has not been developed. I can cite many instances and examples where this could be considered to be solely due to the smothering paternalism that has been a feature of public policy in the past. Much of this land is rented

out to people off the reserves who have made arrangements with the Indian affairs branch, and with very little consultation with the Indian people themselves. They are the ones who are now using this land.

It is true that some development projects have been carried out. There are a couple of projects in my own constituency at the present time involving community pastures on the Muskowekwan and Gordon Indian reserves. I have some details which I obtained from the government on this matter and I find that Indian people do not have the necessary resources to make full use of this pasture at the present time. Indians will be given first claim to the use of this pasture, but the answer to my question also stated that Indians do not now have sufficient cattle to fully stock the pastures and so the remaining capacity will be made available to people of non-Indian ancestry. What will happen to Indian people when they do wish and are able to make use of these community pastures? These facilities will then be used under contractual arrangements made with people outside the Indian reserve. It is also clear that these pastures will be managed by other than Indian people. They will be managed by government departments and agencies. Again, I say this is the type of thing that is still going on for which there is no need. This is another reason we felt we had to bring this motion before the house.

• (10:20 p.m.)

In conclusion, therefore, I suggest that we do need fundamental changes in our approach to the Indian Act. A meaningful program involving a new approach of self-determination for the Indian people should be started now. Tonight we are not dealing with personalities, but we are dealing with the welfare of people.

Mr. Deputy Speaker: Order, please. I am afraid the hon. member's time has expired.

Mr. Burton: Mr. Speaker, could I have leave to conclude my remarks?

Mr. Deputy Speaker: Is there general agreement?

Some hon. Members: Agreed.

Mr. Burton: If the achievement in the future falls short of the objective, I believe the government and the Prime Minister (Mr. Trudeau) must examine all aspects of the situation fully. I have been very closely involved in Indian matters and matters of concern to the Indian people. I sincerely hope effective action will be taken to deal with these problems in the very near future.

Mr. Martin P. O'Connell (Scarborough East): Mr. Speaker, I welcome the opportunity to participate in the debate this evening. I should like to express my appreciation to the members of the house for extending the sitting. I am sure members will excuse me if I do not make any preliminary remarks because I should like to raise one particular issue. I know there are other speakers who wish to follow. Before I get into that issue, however, I should like to say I believe what the Indian people are saying to us today is that in their view the basic policy objective must be full and equal citizenship. There are many obstacles in the path to that objective. The one to which I should like to draw the attention of the members this evening has already been mentioned. It is the role of the provinces in assisting Indians to lead contemporary lives as Canadian citizens.

I think one of the most serious obstacles of all to a contemporary life for Indians is our misconception of the role of the province; that is, it is commonly thought Indians are the sole responsibility of the federal government. This misconception of the direct role and responsibility of the province is shown by governments themselves, by most Indian people and by the general public. It results in a special intense relationship of the Indian people with the federal government and a severely attenuated relationship with the provinces. This I think is an indefensible and discriminatory arrangement which denies equality, is a bar to integration and, I believe, is without foundation in the constitution. It results from historical reasons and is reinforced by current political pressures on the federal government to do more. The more Ottawa does—and I am one of those who thinks it should do a great deal more—the more it tends to lock Indian citizens into an unequal and separate existence.

My argument is that this unacceptable division of federal-provincial functions is neither required nor justified by the constitution or by Indian treaties. It should neither be tolerated by Indians nor by the general public. A more complete statement of the legal basis of the argument than I can give can be found in the Hawthorn-Tremblay report of 1960 and particularly the writings of Dr. Kenneth Lysyk of the Faculty of Law of the University of British Columbia. When one looks at the constitution one finds there is no doubt at all

that under the British North America Act, section 91 paragraph 24, it is the federal parliament that has the exclusive authority to legislate for Indians and lands reserved for Indians. It should be noted that this section does not read "Indians on lands reserved for Indians" but by its wording indicates that parliament may legislate for Indians whether reserve based or not, as well as for lands reserved for Indians.

I want to discuss in the short time available Indians only, since Indian lands are in a different and special category, being singled out in a way that health, education and other matters are not singled out. It has been forcefully argued, and I think correctly, that whereas the provinces cannot legislate specifically for Indians as such, there is nothing in the constitution that says that provincial laws of general application—for example, in the field of health which is normally a provincial responsibility—should not apply to Indian persons as to all other provincial residents. It is only that kind of legislation that is clearly for Indians that is reserved to Ottawa. When the federal parliament legislates specifically for Indians, it can and does intrude on fields normally reserved for the provinces, though at the expense of perpetuating a specialized monopoly of services to a separated class of Canadians identified on ethnic and cultural grounds.

Even in this latter case, when the federal government does legislate it is not mandatory for it to do so; it is simply permissive for it to legislate in order to implement federal policies in Indian affairs. The Indian Act and its regulations is such a piece of federal legislation which only the federal government can pass under the constitution, since it is directed specifically and only to Indians as defined under the act. A province could not pass an Indian Act, but the general laws of a province and its programs and policies can none the less apply to Indians in the province within limits.

Therefore, I think it is important to question where those limits lie and how flexible and responsive they can be to Indian needs. It is important to an Indian future for Indians to determine to what extent it would be in their interest to alter the federal-provincial balance or to mix it. This federal-provincial balance may be altered, for example, more in the direction of the province, as is happening in several provinces under Indian pressure, such as Saskatchewan and Manitoba.

[Mr. O'Connell.]

Some significant flexibility does appear available so far as the constitution is concerned, except in respect of Indian lands. This is an exclusive federal responsibility. Firm limitations on provincial legislative competence do exist, however, in two sources other than in the constitution. These are found in the treaties and the Indian Act. An example of the conflict of provincial law with treaty provisions is found in the fact that the provincial game laws do not apply. Nor are provincial laws applicable if they conflict with the Indian Act or its regulations; that is, whenever the federal parliament has already occupied a given field with Indian legislation.

These limitations on provincial competence are thus significant, but they relate largely to the extent to which the federal government has already occupied a field which might already be under provincial jurisdiction by devising its own Indian policy in that field. Therefore, in many cases, except with respect to treaty provisions, the removal of some of the limitations on provincial legislative competence rests with the federal government by way of change in the Indian Act. Perhaps, therefore, new options will become available to Indians and governments as a result of current consultations with the Indians with respect to amendments to the Indian Act.

When a consensus is reached on changes in the act, it may well be—and I suspect this will be the case—that substantially greater automomy will devolve upon Indian band governments. They may then choose, under the less confining provisions of a revised Indian Act, to relate themselves more directly to provincial laws and services. They may gradually relinquish or modify the special services provided exclusively by the federal government.

Indians will properly ask whether a shift in federal-provincial patterns of responsibility can take place to their advantage without adversely affecting rights that they regard as theirs. I believe the answer is yes. They will ask whether the federal constitutional responsibility would thereby be reduced. I believe the answer is no; there would be no change.

• (10:30 p.m.)

At this point I would like to say two things, Mr. Speaker. I think, first, the federal government can be faulted for a failing to clarify the true constitutional position to the public and to conduct intensive discussions of the problems and options with Indians and the provinces. In the absence of consultation,

Indian communities are left vaguely uneasy about changes they find it difficult to discern. If I had had time earlier, Mr. Speaker, I would have stressed the very important role of a task force in developing a new consensus and a new policy orientation.

I would refer again to the need, as the hon. member for Skeena (Mr. Howard) or the hon. member for Winnipeg North (Mr. Orlikow) reminded us this afternoon, of high level federal-provincial conferences to activate, with Indian consent, the unfulfilled responsibilities of the provinces. In addition, I think it was never more important than now to clarify Indian rights under treaties, and aboriginal rights where there are no treaties, for example with respect to hunting and fishing rights and with respect to claims to title or interest in lands. It is essential to restore rights that have been abridged, and to meet obligations that have been unfulfilled.

The time is overdue for settling outstanding claims, whether aboriginal or treaty, through either direct negotiation, which has much to commend it, through development of agreements or a claims commission, with compensation where appropriate. It seems to me, moreover, that if the consultative process is to be comprehensive, flexible and genuine, the question of how to settle past grievances and claims, including the technique of the proposed claims commission, should be part of that consultation process, since only by consultation on these methods can the claims and needs of the future be related to the claims of the past. Only in this way, I think, can a developmental momentum be generated and maintained.

Consultation concerning treaty rights should be part of the discussions concerning the role of the provinces, and both should be part of the consultations concerning development programs for a new future. I am stressing that the consultation process must be comprehensive if all of the options open to Indians and government are to be usefully examined.

I think it is fair to conclude that the federal government, with Indian consent, has considerable freedom to determine the kind and scope of responsibilities it will assume under the grant of constitutional power in section 91 of the British North America Act and under the resulting Indian Act. It is evident, I think, that only if the provinces, under Indian and public pressures, change their attitude and expand their legitimate functions will it be possible to talk of successful participation by Indian citizens in contemporary Canadian life at all levels.

Reserve communities should not remain federal islands within provincial boundaries, frustrating a people in search of equality through development. If and when a province extends its general programs and services to Indian residents, whether on or off reserves, it does not assume a responsibility that constitutionally belongs to another government and consequently should not be paid for doing so. It is simply fulfilling its own responsibilities. No doubt a case can be made for cost-sharing on historical grounds or grounds other than constitutional.

It seems possible to resolve the question of a more federal-provincial mix of functions and services on utilitarian grounds, because treaty and constitutional barriers are slight. The particular mix in any given case at any given time is a matter of policy and agreement, not a matter of the constitution. The choice in altering the governmental balance lies largely with the Indian people.

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I would like to thank hon. members here for agreeing to extend this sitting tonight so that those of us who wanted to say something about the Indian people of Canada would have the opportunity of doing so.

At the outset, I would like to say something about the Minister of Indian Affairs and Northern Development (Mr. Chretien) and the Minister without Portfolio (Mr. Andras). I think that as a result of the approach of both these ministers to Indian affairs, to consultation with the Indian people of Canada and to the relationship between the Indian people and the government of Canada, we have entered a new era in this field. I believe that both these ministers have taken upon themselves a heavy responsibility, as we realized today when we listened to members on all sides of this house, each with his own idea, his own theories and his own approach to this very perplexing matter and to how it should be resolved within our confederation. I think both these ministers have shown a great deal of courage, a number of new ideas and a lot of strength.

Having followed the discussions in this chamber today, as a member of parliament I have the feeling that those of us who sit in the House of Commons as Canadians, many of us representing the Indian people, are, like many other Canadians, concerned about our first citizens. But I think that with a little

fear and trepidation, many of us ask ourselves whether or not we are able to offer much that is constructive. I listened with bewilderment to some of the suggested solutions to our problems with respect to the Indians. We can look back to our history and see that all has not been well and that many of the policies adopted have been based on a concept that is not acceptable in today's society. I could not help but feel again today that we who represent many people offer solutions which are not really solutions which the Indian people themselves want. I listened with a great deal of interest to the hon. member for Coast-Chilcotin (Mr. St. Pierre) who said that there is not just one solution, there are many. I listened to others who suggested that in their own areas there were particular problems which were not necessarily part of a national problem. May I suggest for a moment that one of the things that we have to do as legislators in Canada is to recognize that we cannot offer the solutions, that we must look to the Indian people themselves to come up with their own ideas and thoughts, and that it is not an easy thing for us to be able to do this. I think that if we suggest for one minute that the Indian Act is not something that we can amend, we will look like people who know not what they say. For example, I think of the problems of treaties No. 8 and 11 in the north on which the Indian people have many ideas. I think also of the concern that people have about the treaties which were signed by their forefathers only 45 or 47 years ago, and whether they have had any real effect on their lives.

• (10:40 p.m.)

The fact that the federal authority has not implemented certain aspects of these treaties has I believe destroyed some of the faith which the Indian people have in the great white father. In this process of communicating with the Indian people and establishing good faith I believe it is incumbent on us as politicians to identify these problems positively. But in the name of Heaven let us not use them for the sake of political advantage. I cannot but be concerned when I listen to continued attacks on a particular administration. I am thinking in terms of the Akaitcho Hall affair which the hon. member for York South (Mr. Lewis) has raised in this house on several occasions. I respect the hon. member for having brought this up in the first instance but I am not persuaded he should continue to play on it when those of us who are acquainted with this situation know there are forces at work within the community to change it. Let us take this kind of situation out of the public domain. Let us not play on the feelings of the Indian people or of the Eskimo people or of the Métis people or of any other group.

Some hon. Members: Hear, hear.

Mr. Lewis: How would you change things, then?

Mr. Orange: I have lived in Yellowknife, the location of this institution. Maybe all is not well. As I said, I respect the hon. member for having brought this matter to the attention of the house, but I believe the administration of the hostel felt they could handle the situation once it had been brought out into the open.

In line with what I was saying a minute ago, I do not wish to pursue this subject. There are other areas going beyond the Indian Act and an Indian claims commission where a dialogue could be established with the Indian people. We could help achieve this by doing things, by building homes, educating the young people and developing the economic potential of the reserves, something which is extremely important. I believe the minister is aware of this. I believe he wants to do these things. I suggest to him, to the department and to this house that with the continuing goodwill shown by this assembly toward the Indian people of Canada we can accomplish something realistic, beyond partisan considerations, beyond the politics with which many of us are so familiar.

There are many other things which I am sure all of us would like to say. One area which is most important in terms of the goodwill which must be established between the Indian people and the other people of Canada involves enforcement of the Migratory Birds Convention. The Indian people, in accordance with their treaties, believed in their hearts and minds that they had the right to hunt and shoot the animals and birds of the land and the sky. They felt they had this right for as long as the sun rises in the east and sets in the west—they thought of it in such terms. I know there are many who would say that the Migratory Birds Convention should not be amended because to do so would not be in the interests of conservation. I suggest to the minister that shooting the few additional birds which otherwise might not be shot will have little effect on the bird population of this country. I also believe that if the Indian people of this country are given responsibility

in this field and authority to shoot those birds they feel it is necessary to shoot, they will prove fully responsible and will behave as we expect them to.

It has been suggested that we should abolish the department of Indian affairs, take the money now spent on the department and use it to improve the living standards of Indian families. I suggest instead that we should examine how much it costs to educate our young Indian people. As Canadians we all want our Indian people to take their full part in our Canadian way of life.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I understand there is a gentleman's agreement for two hon. members to share the last ten minutes available. On that basis, I think it would be fair to all hon. members if I were to recognize at this time the hon. member for York South.

Mr. David Lewis (York South): Mr. Speaker, I shall leave most of the remaining time to the other hon. member who wishes to speak. I wish to make three brief statements. I make no apology for having continued to pursue the Akaitcho Hall incident. I would not have done so if the minister, on the first occasion I raised the question, had said, "I know about it; it is wrong and I intend to correct it." He did not say that but spoke of other matters with which I will not deal. In such situations, the only way to bring about change is by having the courage of one's convictions and by continuing to insist that the change ought to take place. That is the only way we shall bring about changes to this act.

Secondly, we introduced this general subject because, in the view of our party and many members of the house, the sort of discussion that has take nplace today was long overdue. It was necessary to obtain from the minister the kinds of statements we have heard from him. Having introduced the motion, the hon. member for Skeena (Mr. Howard) set a high level of debate. He introduced debate at that high level precisely because we wanted an earnest discussion of the issues involved. We did not want, as the hon. member for the Northwest Territories (Mr. Orange) has suggested in connection with the question of Akaitcho Hall, to make this merely a political debate. It was nothing of the sort.

Finally, Mr. Speaker, I say on behalf of my colleagues that I do not blame the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister without Portfolio (Mr. Andras) for not being very specific about policies they are not yet ready to enunciate. I say to them on behalf of my colleagues and, I am sure, on behalf of all members of the house, that we heard with interest and anticipation their statements that they intend to end the era of paternalism; that they intend to recognize the basic human rights involved in this issue; and that they intend to listen to our Indians and pursue policies that will embody the wishes of those people. This is what they said and we shall hold them to their statements.

Some hon. Members: Hear, hear.

Mr. Lewis: I hope the legislation they will bring down in a few weeks, not in a few years, will fulfil in toto those promises to the Indian people of this country. I hope it will recognize their right and really enable them to integrate themselves into our society as Canadians. On behalf of my colleagues I say to the minister and the government, we will accept nothing less when the legislation comes.

• (10:50 p.m.)

Mr. Ian Watson (Laprairie): The trip to the Northwest Territories and Yukon taken by members of the Standing Committee on Indian Affairs and Northern Development at the end of January this year allowed us to visit five Indian and one Eskimo communities. The trip was taken at the end of January so that members could experience northern living conditions during the Arctic winter season.

Among the objectives was a look at northern housing and employment conditons, particularly as they affected Indian and Eskimo peoples. We were exposed to a representative cross-section of the problems which affect our Indian people across Canada by visiting those two communities.

Some of the housing conditions we encountered at Copper-mine on the shores of the Bering Sea were much better than I expected. Almost all the residents of this village live in homes built during the past three or four years. On the other hand, some of the worst housing I have seen anywhere was on the outskirts of Whitehorse in a slum area inhabited by whites and Indians. This slum section, referred to locally as Sleepy Hollow, is much worse than the local Indian village.

The physical progress in the north in the form of new housing and new school facilities is encouraging. I travelled across the north in

1966 as a member of the House of Commons Standing Committee on Northern Affairs. This physical progress was undeniably obvious. There was a hopeful sign in the attitude of people in the local communities toward the problems of their fellow citizens of Indian origin. In 1966, it appeared to me that the white communities were interested only in their own problems. In 1969, there were signs of genuine interest on the part of the average white northerner in helping native people to full participation within the modern economy which is developing so rapidly in these northern communities.

I have spoken so far of progress and hope, but that is far from the whole story in the north. Last autumn the standing committee studied the employment situation of our native Indian and Eskimo people and found it to be generally deplorable. The unemployment rate for employable adult Indian males is in the 40 per cent to 50 per cent range. For a portion of the year at least that percentage of adult Indian males is unemployed. This was confirmed by our visit to the north. Coppermine appears to be a prosperous community, yet almost the entire male population was unemployed at the time of our visit.

Even though mining exploration was in progress last summer in the Coppermine River area, only 40 or 50 miles away, very few of the local residents were employed on those projects. Something is radically wrong with a system when southern labour must be brought from thousands of miles away to work in an area that has a native labour surplus. We had public meetings at each place which we visited. At our public meeting in Coppermine we asked the young men present how many of them would be interested in working on mine drilling rigs and we got a substantial response. We found out that within the last six months to a year the department instituted a number of new programs which will quickly lead to a great many more of our young Indian and Eskimo people being trained for positions in northern based industry.

In 1965 I wrote a letter to the then minister of northern affairs in which I suggested that one method to absorb more of our native northern people into the labour force would be to convene a conference of representatives of northern based industry, northern based labour unions and other parties, including representatives of provincial departments of labour, the federal department of indian affairs and, of course, representatives of the Indian people themselves.

Mr. Mather: Mr. Speaker, I rise on a point of order. I don't think we have a quorum in the house at the present time on this important question.

Mr. Deputy Speaker: Is the hon. member calling for a count?

Mr. Mather: Yes, sir, I am.

And the count being made, more that 20 members were declared to be present.

Mr. Speaker: The hon. member for Surrey (Mr. Mather) is in error. There is a quorum.

Mr. Watson: Mr. Speaker, I would like to take another minute to complete my remarks. I urge the minister to consider again convening a conference of people with experience in this field to attack this labour problem. I also give notice, as chairman of the committee, that we intend to call before the committee representatives of northern based industry that is not employing sufficient numbers of native people, and representatives of northern based labour unions that are not contributing sufficiently to the employment of native personnel in the north.

[*Translation*]

Mr. Speaker: As it is now past ten o'clock, I must inform the house that pursuant to standing order 58 (11) this debate is deemed to be closed.

Accordingly, the house stands adjourned until eleven o'clock to-morrow morning.

[*English*]

At eleven o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Friday, March 7, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

AGRICULTURE

[*Translation*]

Seventh report of the standing committee on agriculture in French and English—Mr. Marcel Lessard (Lac-Saint-Jean).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

FINANCE

GREENHOUSE VEGETABLES—TARIFF BOARD REPORT

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have tabled copies in English and French of a report by the Tariff Board on Reference No. 140, greenhouse vegetables, together with a transcript of the evidence presented at the public hearings held by the board.

This report contains recommendations relating to fresh tomatoes and cucumbers. I assure hon. members that these recommendations will be carefully considered by the government. May I urge any interested parties who wish to comment on this report to do so promptly.

MOTIONS TO ADJOURN UNDER S.O. 26

EXTERNAL AFFAIRS

ACTION TO BE TAKEN IN LIGHT OF NIGERIA-BIAFRA CONFLICT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I ask leave, seconded by the hon. member for York South (Mr. Lewis), in accordance with Standing Order 26, to move the adjournment of the house under the said Standing Order for the purpose of discussing a specific and important matter requiring urgent consideration, namely steps to be taken by the government of Canada in the light of the continuation of the war in Nigeria-Biafra and the continued threats of mass starvation and the indiscriminate bombing of civilian targets such as hospitals and market places.

This matter was considered by the house on November 26 last. Since that date the situation has changed, first, by reason of well authenticated reports of frequent instances of bombing of civilians in market places and hospitals far removed from military targets, causing immense loss of life; second, the new initiatives taken by the President of the United States in the appointment of a special co-ordinator on relief to Nigerian and Biafran war victims and the action of the American government in making stratosphere transport planes available to both the International Red Cross and the church operations; third, the offer of Colonel Ojukwu to construct, with needed outside assistance, an airstrip within Biafran occupied territory to be used exclusively for daylight mercy flights; fourth, the continued Biafran resistance and the prospect of prolongation of the war in the absence of international action, with an increasing toll of lives from starvation.

• (11:10 a.m.)

In view of these facts urgent consideration by the house is required in order that the government may be directed by parliament to deal effectively with this tragic and urgent humanitarian challenge, which affects the conscience of Canada and the world.

Mr. Speaker: The hon. member for Greenwood (Mr. Brewin) has given the Chair the notice required by virtue of Standing Order 26. After serious consideration I have come to the conclusion that the motion proposed by the hon. member for Greenwood cannot be put to the house at this time. While the subject proposed to be discussed is obviously one of considerable importance and urgency it would appear to be of a continuing nature. I cannot recognize the element of sudden emergency without which it is difficult to justify setting aside the business of the house under the terms of Standing Order 26. It may not be unreasonable to expect there will be other opportunities for the house to consider and debate this very serious situation.

Failure to Build P. E. Island N.B. Crossing

TRANSPORT

FAILURE TO BUILD SOLID CROSSING BETWEEN P.E.I. AND NEW BRUNSWICK—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under Standing Order 26 I beg leave, seconded by the hon. member for Egmont (Mr. MacDonald) to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely the repudiation by the government of Canada of its commitment to build a solid crossing between Prince Edward Island and the province of New Brunswick.

In any federal state it is essential that undertakings given by one government to another be honoured and respected. The repudiation and disavowal of the commitment by the government of Canada to the people and province of Prince Edward Island in reference to interprovincial transportation, a matter falling within the responsibility of the government of Canada, constitutes a serious diminution of the faith and confidence which is the *sine qua non* of a viable federal state. It is urgent therefore that a matter of such significance be debated in this chamber forthwith.

Mr. Speaker: Again I have studied very carefully the hon. member's statement, particularly in view of the fact that the situation to which he refers is one of such serious concern to the hon. member who has proposed the motion and to other hon. members of the house. The subject he proposes for the consideration of the house under Standing Order 26 is what he terms "a serious diminution of the faith and confidence" essential to a federal state. In this way it seems to me that the hon. member's motion is so general in nature that it can hardly qualify under the terms of the standing order. There are other methods by which executive decisions may be called into question or criticized. The suggested motion is essentially a want of confidence motion which should normally be proposed to the house under the provisions of Standing Order 58.

In the circumstances I must rule that the business announced for today cannot be set aside for the purpose indicated in the proposed motion.

[Mr. Speaker.]

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

REQUEST FOR EFFICIENT AND UNINTERRUPTED SERVICE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Postmaster General from the house today I should like to ask the Prime Minister whether he has asked the Postmaster General for a report on the chaotic conditions in the postal department. I ask the question in view of the walkout this morning by over 400 postal workers, in view of a similar incident a few weeks ago and especially in view of the Postmaster General's repeated assurances to this house that morale in the department is consistently high. Therefore I ask the Prime Minister whether he will give his personal attention to the necessity of restoring the post office to something approaching normal conditions and ensure that the country can depend on reasonably efficient and uninterrupted service in this essential department.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have given personal attention to this and would inform the house that the department is now in the process of negotiating with the strikers alluded to, I believe, by the Leader of the Opposition. The negotiations are going on at this moment.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. I wonder whether the Prime Minister would perhaps discourage the Postmaster General from taking such an interest in the responsibilities of other departments and try to prevent anarchy from taking hold in essential services in his own department.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a supplementary question to the Minister of National Defence, asking him when he will take the opportunity under the ground rules of the present regime to give the house and the country the benefits of his views as to how the postal department should be run?

TAXATION

CONFERENCE OF MINISTERS TO CO-ORDINATE TAXING STRUCTURES AND BASES

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance arising out of the budget recently

presented in the legislature of the province of Ontario, during which the provincial treasurer of that province forecast the introduction at a later date of provincial income tax and provincial capital gains tax. I should like to ask the minister whether he will call a conference of federal and provincial finance ministers for the purpose of considering methods of co-ordinating such taxes across the country so that Canadian taxpayers will not be taxed on different bases and structures of taxation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would hope that this will be the case. I found the views of the treasurer of Ontario interesting. He was putting forward his case very well, I thought. As I previously stated, as soon as the white paper on taxation is presented to this house it is my intention to ask for meetings with the provincial finance ministers in order to discuss the matter.

Mr. Lewis: In view of the fact that these steps by provincial finance ministers were in fact invited by the federal government when the provinces were asked to impose their own taxes, is there any reason to wait for this white paper, and should not steps be taken immediately to see to it that taxes are not imposed in an unco-ordinated way so as to create a tax jungle in Canada?

Mr. Benson: Mr. Speaker, first of all I should like to make it clear that the provinces presently do impose their own corporate and personal income taxes, which we collect for them. In the province of Quebec the base is not quite the same as in the other provinces, and they collect their own taxes.

The proposal, as I understand it, as put forward by the treasurer of Ontario had reference to a two year period. He said within a matter of two years he would do this or that. I think there will be ample time to discuss the matter and to consider the views of the provinces as well as the views of the federal government, when the white paper is presented to the house and referred to a committee.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, would the hon. minister not think it advisable and better to have these conferences with all the provinces before the government issues its white paper, since there is a quasi committal to the provinces by the inssuance of a white paper? This would be merely following the advice the minister has received from this side of the house.

Mr. Benson: There have been a good many meetings of the tax structure committee and the Ministers of Finance at which the views of the provinces in respect of tax reform generally have been put forward. I think it would be terribly unfair to this house if I met with the provincial ministers of finance and discussed in detail what might be in the white paper, before it is presented to this house. We certainly welcome ideas from the provinces, and have indeed received their views on many matters.

[*Translation*]

AGRICULTURE

PARTICIPATION OF COMMITTEE MEMBERS IN CONGRESS PROCEEDINGS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Following the invitation sent to the members by the president of the organization committee of the Canadian Congress of Agriculture, would the minister tell the house whether the members of the permanent committee on agriculture will be invited as observers only or as members of the said committee? In other words, will the members of the committee have a part to play or will they attend in their individual capacity?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I understand this matter was discussed during the proceedings of the Standing Committee on Agriculture, where it was determined that it would be most useful to the members of that committee if they were invited as observers, so they would have freedom to attend any or all of the workshops at their own discretion, while the agricultural congress was on.

TRANSPORT

STRAIT OF BELLE ISLE TUNNEL— CONSIDERATION BY COMMITTEE OF FEASIBILITY REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the government house leader. In view of the Prime Minister's remarks yesterday in the house concerning the tunnel across the Strait of Belle Isle connecting Newfoundland and Labrador, would the government house leader refer the report of a feasibility study carried out by a subsidiary of Northumberland Consultants Ltd., which I am prepared to

table, to the Standing Committee on Transport and Communications?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the hon. member must know that the estimates of all the departments have been referred to the standing committees. I am sure that if he wanted to participate in the work of the relevant standing committee, the information which he says he has could be very useful to all members.

Mr. Baldwin: He wants you to unmuzzle your committee members.

Mr. Marshall: Mr. Speaker, would the government house leader then be prepared to allow my Bill C-125, an act to establish a Newfoundland Tunnel Authority, to come before the house for second reading?

Mr. Macdonald (Rosedale): Mr. Speaker, I suppose every member of the house could insist that he should have priority for his bill, and on that basis we would be back in the same place.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. Would the house leader accept the study in order that he and the Prime Minister may familiarize themselves with the original idea and possibly support an idea which Premier Smallwood put before the former prime minister, Mr. Pearson, on a number of occasions and about which the premier has indicated he intends to speak to the present Prime Minister?

Mr. Macdonald (Rosedale): I did not quite follow the question, Mr. Speaker, but I suggest also to the hon. member that it might be a useful topic for discussion in the Standing Committee on National Resources and Public Works.

Mr. MacInnis: Mr. Speaker, in order to clarify this matter for the house leader, would he accept this feasibility study in order to familiarize himself and the Prime Minister with the origin of the idea, and possibly make it easier to follow, instead of going off on tangents all the time?

EXTERNAL AFFAIRS

ARCTIC ARCHIPELAGO—REPRESENTATIONS TO U.S. RESPECTING SOVEREIGNTY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. It has to do with ownership of and sovereignty over the Arctic archipelago. I asked the question a week ago. It is a matter that falls particularly within the purview of the Prime Minister. Is he in a position to say whether representations have been made to the Department of State of the United States in connection with certain areas in the north that today are in the position of being uncertain, by reason of maps issued which indicate that it is doubtful whether or not Canadian sovereignty prevails there. All of these areas were over the years regarded as Canadian. Now that they have become very valuable, and the suggestion is made that the Americans really have a prior interest in them, would the Prime Minister be prepared to make a statement in this regard and assure Canada that Canadians as a whole support wholeheartedly the areas of the north being—

[Mr. Marshall.]

Mr. Speaker: Order, please. The statement should be made by the Prime Minister, not by the right hon. gentleman.

Mr. Diefenbaker: I find that very interesting, Mr. Speaker, because I asked this question a week ago and there was no answer. It is a matter of such importance that I am sure the Prime Minister would want to assure Canadians that the Canadian government will stand firm.

Right Hon. P. E. Trudeau (Prime Minister): It is a very important question, Mr. Speaker, and I have asked the several departments concerned to review the Canadian position on this matter. A position has developed over the years—

Mr. MacDonald (Egmont): Another review?

Mr. Trudeau: Well, yes.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Would the Prime Minister next week have a statement made on motions, so that Canadians may not be pushed aside on a matter so important to this country? I am sure he is just as anxious as anyone in the house and the country to know where we stand and where the Americans stand on this question.

Mr. Trudeau: Mr. Speaker, I know that perhaps on some aspects of this matter the Secretary of State for External Affairs may be able to report next week. But I would find it preferable to have all aspects of this question examined before reporting to the house. I do not think it will be a very long procedure.

It is a very complicated situation, which some members of the Conservative party do not seem to realize. There is a difference between internal waters and territorial seas. The question of innocent passage differs according to whether it is one or another.

I recognize that over the years the intentions and the policy of the Canadian government under various administrations have been clear, but this particular aspect of it has never been established. Because of the international implications which would result from a claim made by us regarding territorial rights, it is important that all the departments report on this matter before a statement is made.

Mr. Diefenbaker: There should be an early statement.

TRADE

RAPESEED—ACTION TO REMOVE AUSTRALIAN TARIFF INCREASE

Mr. A. P. Gleave (Saskatoon-Biggar): I wish to address my question to the Minister of Industry, Trade and Commerce. In view of the fact that the rapeseed association meeting in Saskatoon last week reported that a $35 per ton increase in duty on refined rapeseed oil exported to Australia was imposed by that country last December and that at the same time no tariff changes were put into effect in the Australian market affecting entry of soybean or other edible oils, will the minister approach the appropriate Australian authorities to have this increased tariff reduced or abolished?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will certainly look into this matter and report to the hon. member as soon as I review the situation.

Mr. Gleave: I have a supplementary question. Would the minister also have his staff investigate if this is a violation of the GATT agreements?

FINANCE

MATURITY TERMS OF BOND ISSUE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Will the minister please advise the house whether the over $400 million bond issue to be put on the market in April will consist of medium term or long term maturities?

Hon. E. J. Benson (Minister of Finance): The date, amount, and terms of the issue have not yet been announced. They will be announced in due course.

Mr. Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. In contemplation of this bond marketing, has the minister considered the extensive erosion of the bond market by inflation, and the fact that there is every indication of further rises in long term interest rates as well as rises in interest rates for short term money? In what way is he going to handle the issue?

Mr. Speaker: Order, please. For a number of reasons the supplementary question cannot be accepted.

OIL

INVITATION TO PLACE OBSERVER IN VESSEL "MANHATTAN"

Mr. Paul St. Pierre (Coast Chilcotin): I wonder if the minister in charge of northern affairs could respond to a supplementary question which I asked last week in this regard, that is whether Panarctic had been invited to join in the American attempt to force the northwest passage over ice of the ship *Manhattan*.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Panarctic Oils Limited was invited by the group of businessmen who started the Manhattan program, and I do not know what its answer was. Its board of directors met this week and as soon as I have received a report, I will be glad to advise the house.

[*English*]

Mr. St. Pierre: In view of the fact that the French government's subsidiary in the north has been invited and has accepted, would the minister consider recommending to Panarctic Oil that the Canadian position be ensured by our participation in this venture.

Mr. Speaker: Order, please. The hon. member is now making a proposition, a suggestion or a recommendation to the minister, which he must assume will be considered.

DISCUSSION OF CONTINENTAL POLICY IN NEGOTIATIONS WITH U.S.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, on March 3 I asked a question of the Secretary of State for External Affairs,

and he said it would be answered by the appropriate minister when he was in the house. Now I direct my question to the Minister of Industry, Trade and Commerce because it deals with exports. Has the Alberta government made the suggestion to the appropriate minister in the Canadian government that a continental oil policy should be at the heart of negotiations with the United States when the Canadian Prime Minister meets with the President of the United States to discuss the matter of petroleum?

Mr. Speaker: Order, please. I did not hear the beginning of the question asked by the hon. member but I have some doubts about the question. However, it would be much easier to allow the minister to reply to it since he seems ready to do so.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I was going to say, Mr. Speaker, that the Alberta government would address these representations to the Minister of Energy, Mines and Resources.

Mr. Woolliams: I addressed it to the Minister of Industry, Trade and Commerce since it was a matter of exports. May I then direct my question to the Acting Minister of Energy, Mines and Resources and ask him whether the Alberta government suggested to the Canadian government that so far as the demand for petroleum is concerned a continental oil policy should be at the heart of the negotiations.

Hon. Otto E. Lang (Minister without Portfolio): Terms like "the continental oil policy" are a little too easy and flexible to mean very much in discussions between two governments, so I would have to answer no to the question in terms of actual representations in those words. But with that qualification I may say that I expect in a number of days to have conversations with the minister of resources of Alberta.

Mr. Woolliams: A supplementary question, Mr. Speaker. Would the minister be prepared to table the brief presented to his department by the former premier of Alberta, Mr. Manning, with reference to submissions made by the Alberta government respecting their representations on this industry?

Mr. Lang: I will be glad to give consideration to that.

[Mr. Woolliams.]

POSSIBLE APPOINTMENT OF TASK FORCE TO STUDY POLICY

Mr. John Burton (Regina East): I would like to ask the acting minister whether the government will consider the appointment of a task force to study oil policy, in the light of recent developments and suggestions that political concessions may be involved in the continuance of present policies?

Mr. Lambert (Edmonton West): Mr. Speaker—

Mr. Burton: On a point of order, Mr Speaker, I believe the Acting Minister of Energy, Mines and Resources was about to answer my question.

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): I was willing to make a comment in regard to the representation. Certainly the government is very actively concerned with the question of oil policy now and in the future. This whole question is being given active attention.

TELEGRAM PROTESTING FEDERAL SUBSIDY TO EASTERN REFINERIES

Hon. Marcel Lambert (Edmonton West): A supplementary question to the Prime Minister. Has the Prime Minister received a telegram from the premier of the province protesting against federal subsidy for the construction of eastern refineries to reduce offshore crude?

Right Hon. P. E. Trudeau (Prime Minister): I have received a telegram to that effect, Mr. Speaker. A reply is being prepared.

EXTERNAL AFFAIRS

ARCTIC ARCHIPELAGO—REPRESENTATIONS TO U.S. RESPECTING SOVEREIGNTY

Mr. J. P. Nowlan (Annapolis Valley): My question is supplementary to the question asked earlier by the right hon. gentleman from Prince Albert to the Prime Minister in regard to oil policy. From the earlier reply of the Prime Minister, are we to understand there is some question of a practical political problem as to whether we have sovereignty of the lands of the north regardless of the academic legalistic problems which might be involved? Is there any problem of sovereignty?

Right Hon. P. E. Trudeau (Prime Minister): I do not think it is possible to separate the practical problem from the legalistic problem.

Of course we claim we have sovereignty to all the lands in the north. This claim will have to be established in law, and internationally. I do not think there will be any great difficulty about the land itself, but the problem has arisen about the ice and the water and whether the water is inland or territorial water. That is a rather difficult question.

Mr. Nowlan: Has there been any question about sovereignty? If so, what practical steps is Canada taking to assert its sovereignty to these lands?

Mr. Speaker: Order, please. The hon. member is asking for a general statement, as the right hon. member for Prince Albert asked. Perhaps all these questions might be answered at the same time.

Mr. Nowlan: With due deference, I asked two particular supplementary questions. First, has there been any question from any other country about our sovereignty? If so, what practical specific steps are being taken to assert our sovereignty? These are two specific questions on a very important subject.

Mr. Trudeau: I do not see how any doubt has arisen in the mind of the hon. member, unless he wants to claim the ice up there is ours also. This is not only a question of fact, but of law. The question was asked if there has been any doubt cast on this, and I know of no recent occasion of doubt having been raised on this. There was the question of maps purportedly issued by another country, and the Secretary of State is investigating this. As far as I know, there is no assurance on that yet.

As to the practical steps which have been taken, they have been taken over many years. The right hon. gentleman from Prince Albert initiated a number of those steps—effective occupation of the islands and deployment of the R.C.M.P. They have been going on for quite a while and I believe were intensified under the right hon. gentleman's leadership. We have continued in this direction. There have been no new steps taken in the last few weeks, if that is the question.

Right Hon. J. G. Diefenbaker (Prince Albert): Has there been any question raised by the United States Department of State respecting ownership of these northern areas? That question did not take place under my administration as we made perfectly clear from the time of Captain Bernier and V. Stefansson that the northern areas belonged to Canada. Is there any question of that now, in view of those maps?

Mr. Trudeau: When the hon. gentleman speaks of northern areas, does he mean the land or the sea? If it is the land, there is no question about it. If he means the sea, there is a question whether it is a territorial or inland sea. If it is an inland sea, of course there is no question of passage by any vessel in those waters whether it be military or otherwise. The doctrine of innocent passage would not apply. This is the essence of the question. I do not believe the government under the leadership of the right hon. gentleman ever answered—

Mr. Diefenbaker: We never had to. If we had had to answer, we would not have pussyfooted.

Mr. Speaker: Order, please.

Mr. Trudeau: You should have had foresight.

Mr. Speaker: I am sure hon. members will agree that the questions and answers have now reached a point of debate. Perhaps the answer to the situation would be the suggestion made by some hon. members, that a statement should be made.

Mr. Woolliams: This is in regard to answers we have been getting in connection with the north. I want to clear up a question with the minister of mines. As I understood your answer—

Mr. Speaker: Order, please. The hon. member should direct his question to the Chair.

Mr. Woolliams: As I understand, Mr. Speaker, the minister stated last week that there is a study group now in relation to a task force. When can we expect a report covering all these matters with reference to petroleum from that group?

Mr. Lang: Mr. Speaker, when the reports presently being prepared within the government are ready and form governmental policy, that policy will be announced in his house.

LABOUR RELATIONS

WINNIPEG—CANADIAN AVIATION ELECTRONICS LAY-OFF

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Defence Production? In view of the fact that Canadian Aviation Electronics

in Winnipeg has given lay-off notices to 150 employees, reportedly because of a transfer of government contracts to a firm in Ontario, will the minister look into this matter, will he make a statement, and will he do his best to keep this work in Winnipeg?

Hon. Donald C. Jamieson (Minister of Defence Production): Yes, Mr. Speaker. I shall be glad to look into this matter for the hon. member.

[*Translation*]

NATIONAL PARKS

QUEBEC—ESTABLISHMENT OF PARK

Mr. Leonel Beaudoin (Richmond): Mr. Speaker, I wish to ask a question to the Minister of Indian Affairs and Northern Development.

Is he now in a position to tell us what are the results of the federal-provincial negotiations with respect to the establishment of the first federal park in Quebec; if not, when will he be able to do so?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): As I have said before, Mr. Speaker, I have made propositions to the provincial authorities, in September or October, and I have not yet received a final answer.

[*English*]

TRADE

BARLEY—DECREASE IN SHIPMENTS OVERSEAS

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to direct a question to the Minister of Industry, Trade and Commerce. Is the minister concerned about the fact that less than six million bushels of barley have been shipped overseas to date this year, compared with over 17 million during the same period last year? Has the minister been in touch with the Wheat Board concerning the non-existence of any forward sales of barley and the question of some 200 million bushels of barley in storage? Does the minister or the Wheat Board have in mind any new policies or changes in existing policies to meet this problem?

Hon. Jean Luc Pepin (Minister of Industry, Trade and Commerce): Yes I am concerned, Mr. Speaker. I do not know what the exact statistics are but I do know there is a difficult situation there. I have been in touch with the Wheat Board and we are doing what we can to boost sales.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Stanfield: I have a supplementary question, Mr. Speaker. From the findings of the task force, apparently the price factor is very important in export sales of feed grain. Is the Wheat Board considering a change in policy in light of the large quantities of barley still in storage and the fact that apparently France and Australia have been underselling Canada, consequently capturing markets from us in this area?

Mr. Pepin: Mr. Speaker, pricing is the main factor in this matter. We are doing our very best, because it is in our best interests, to keep pricing under the I.G.A. system as it is now. We are defending it as strongly as we can and would not like to be accused by anybody of having damaged the system. As I said, it is in our best interests, and we believe in the interests of all countries, not to damage it.

AIR TRANSPORT

AMALGAMATION OF REGIONAL CARRIERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Is the minister in a position to answer the question that I put to him a few days ago in the house as to whether or not the Canadian Transport Commission is giving permission for Eastern Provincial Airways and Nordair to amalgamate, which would constitute virtually a third main line carrier in Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have had an opportunity to look into this question and the answer is that approval has not been given. However an application from Nordair was received on March 3, 1969 by the Air Transport Committee of the Canadian Transport Commission to acquire all outstanding common shares in Eastern Provincial Airways. This application will be dealt with in the course of normal procedures.

ARTS, LETTERS AND SCIENCES

NATIONAL ARTS CENTRE—MLLE. MADELEINE GOBEIL

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister with respect to the answer to question 1189 concerning the appointment by order in council of the trustees of the National Arts Centre, and in particular the appointment of Mlle. Madeleine Gobeil. Will the Prime Minister say whether his repertoire in his little black book is sufficient to provide similar representation on all government boards and agencies?

AGRICULTURE

DECLINE OF DAIRY PRODUCTION IN WESTERN CANADA

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Agriculture. According to data published in the *Canadian Dairy Review* and the Manitoba Dairy Association publication, dairy production in the prairie region of Canada has declined by 15 per cent compared with the base period of ten years. In light of that information, would the minister care to revise his answer to me Wednesday when he said that present dairy policy was not militating against the dairy producers in western Canada?

Mr. Speaker: Order. The question as asked is academic.

REGIONAL DEVELOPMENT

P.E.I.—CHOICE OF PROJECT FOR ECONOMIC PROGRESS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I direct a question to the Prime Minister. Since the government decided apparently some little time ago that it could not afford both the construction of the Northumberland causeway and the comprehensive development plan for Prince Edward Island, did the government inform the government of Prince Edward Island of this fact and seek their counsel as to which of the two projects was more essential to the economic progress of Prince Edward Island?

[*Later:*]

Mr. MacLean: A further supplementary question that I should like to direct to the Prime Minister. Did the government of Prince Edward Island agree that the comprehensive development plan should take priority over the construction of the causeway if both projects could not be proceeded with at once?

Mr. Speaker: The hon. member for Lisgar.

Mr. Hees: On a point of order, Mr. Speaker, the two questions posed by the hon. member for Malpeque are perfectly proper and it seems ridiculous for the Prime Minister, who welcomes dialogue both in the house and in the country, to refuse to answer.

TRANSPORT

RAILWAY SERVICE IN WESTERN CANADA

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is for the Minister of Transport. Has there been any discussion, recently or in the past, between the British Columbia government and the Alberta government as to the desirability of declaring that the P.G.E. railroad of British Columbia or the A.R.R. in Alberta work for the general good of Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I could not say offhand; certainly not that I am aware of. However, I shall be glad to inquire and if there is any information I will report it to my hon. friend.

P.E.I.—SUGGESTED ABANDONMENT OF PROJECTED CAR FERRY RATE INCREASE—REQUEST FOR DOCUMENTS

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Transport. Yesterday the hon. member for Hillsborough asked the Prime Minister about the continuing difficulties that have now been created with the cancellation of the causeway program. I wonder whether the minister would assure us that the proposed 50 per cent increase in car ferry rates will not now be implemented?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I would not want to give that assurance. If I recall correctly, there are some adjustments proposed, but I think more important from the standpoint of my hon. friend is the tremendous increase in services which would also be put into effect and which I think will help relieve some of the congestion that has occurred the last couple of years.

Mr. MacDonald (Egmont): A further supplementary question. Since members of the house have been promised for some days copies of the documents relating to the cancellation of the causeway project, can the minister tell the house when these documents will be tabled, as agreed to some weeks ago, as a result of my notice of motion for the production of papers?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I will make inquiries and find out the state of this matter.

Inquiries of the Ministry

P.E.I.—REQUEST FOR IMPROVED CARIBOU-WOOD ISLAND SERVICE

Mr. H. Russell MacEwan (Central Nova): A further supplementary question to the Minister of Transport. In view of what has happened during the last two days, would the minister give full consideration to the bettering of the ferry facilities between Caribou, Nova Scotia and Wood Island, P.E.I., and also provide another ferry for that service? In this regard the minister has something in writing, so I would ask him to give it full consideration immediately.

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

WATER RESOURCES

DEVELOPMENT OF PEMBINA RIVER BASIN

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has he had a request to meet a delegation from Manitoba to discuss the development of the Pembina River basin, and has any arrangement been made to meet this delegation?

Mr. Speaker: Order. I think that the question might be considered at the time of adjournment.

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister aware of the dissatisfaction that is being expressed in his own party, despite the fact that all members who attended the function on Wednesday evening received medals for listening to his speech?

FINANCE

REPORTING OF INTEREST AND DIVIDENDS BY BANKS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question to the Minister of National Revenue. Before asking it however I should like to say how happy we are to see the minister looking so well, and in the house these days.

Some hon. Members: Hear, hear.

Mr. Hales: My question arises from the many inquiries that I have had, and I am sure that many others in this house have had, in regard to why the banks and trust companies have been asked or are obliged to report all interest and dividends over the amount of $10, when this amount was formerly $100. I would ask the minister by what authority he advised the banks to make public this information.

Mr. Speaker: Order. I have some doubt as to the question the hon. member is asking, which is what authority the minister has to take executive action. In this form the question cannot be accepted.

ADMINISTRATION OF JUSTICE

MONTREAL—PROGRESS REPORT OF COURT PROCEEDING TO COMMUNIST COUNTRIES

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. It relates to hearings now in progress in Montreal concerning students involved in the recent destruction at Sir George Williams University, where yesterday a document and letter was seized by the court which asked that a statement of position, including progress reports of the hearing, be forwarded to the embassies of Cuba, U.S.S.R. and certain African countries. In view of the fact that it is well established that any action in communist countries such as this can only be directly related to the government of the country concerned—

Mr. Speaker: Order.

Mr. Thompson: —is the government taking any steps to protest this interference in Canadian affairs?

Mr. Speaker: Order, please.

LABOUR RELATIONS

WOODS REPORT—INQUIRY AS TO IMPLEMENTATION

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the right hon. Prime Minister. I understand that the Woods report is now available in French and English. In view of the requests we are getting from the trade union movement could the Prime Minister announce when this report will be tabled?

Right Hon. P. E. Trudeau (Prime Minister): Not the exact date, Mr. Speaker, but the hon. member is right when he says that the translation is finished. It is being printed now and I believe it is at the proof reading stage. I can give the assurance that as soon as it is ready it will be tabled.

INDIAN AFFAIRS

THE PAS, MAN.—ADMINISTRATION OF HEALTH SERVICES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have an urgent question for the Minister of National Health and Welfare but in his absence possibly his parliamentary secretary could answer it. In relation to the meetings held yesterday by the minister and representatives of The Pas Indian band can the parliamentary secretary advise the house if whether at that time any agreements were arrived at?

Mr. Speaker: Order, please. I think the hon. member is asking a question which normally would be answered by way of a statement.

GRAIN

WHEAT—MEASURES TO COMPENSATE FOR REDUCTION IN ACREAGE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the conclusion of the task force on agriculture that wheat acreage should be reduced in favour of feed grain, which would result in further income reductions at present quota levels, will the government be making recommendations prior to seeding time as to what steps farmers might take to maintain if not to increase farm income despite increasing costs?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as I have said a number of times in this house, the reports that are being made by the task force for the congress will be discussed there, and that will be later this month. I would also like to advise the hon. member that the Department of Agriculture as well as the Department of Industry, Trade and Commerce will make as much information as possible available to farmers with respect to grain sales and prospects, but it is not possible to predict accurately what the markets will be a year from now. I think the hon. member knows this.

DRUGS

MACE—STEPS TO PROHIBIT USE BY R.C.M.P.

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Solicitor General. In view of the statement a few days ago by the Attorney General of Ontario that the use of Mace is likely to result in permanent injury to the eyes, is it the intention of the government to prohibit its use by the R.C.M.P.?

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

Mr. Gilbert: On a point of order, Mr. Speaker, this matter is of very urgent importance and I am sure that the Solicitor General would like to speak on it.

Mr. Speaker: The hon. member is suggesting that the Solicitor General would like to speak on it. If a statement is contemplated, perhaps a better time to make it would be at the time of adjournment.

FISHERIES

COMPENSATION FOR CATCH AFFECTED BY PESTICIDE

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Because of increasing condemnations of fish products for pesticide residue, would the minister consider introducing legislation similar to Bill C-155 which is to compensate farmers for loss of farm products condemned for pesticide residue, and provide similar compensation for fishermen?

Hon. Jack Davis (Minister of Fisheries): I am sorry, Mr. Speaker, I did not quite catch the question.

Mr. McKinley: I will ask it again, Mr. Speaker. Because of increasing condemnation of fish products for pesticide residue would the minister consider introducing legislation similar to Bill C-155, which is to compensate farmers for loss of farm products condemned for pesticide residue, and provide similar compensation for fishermen?

Mr. Davis: Yes, Mr. Speaker.

[*Later:*]

Mr. McKinley: Mr. Speaker, I have a supplementary question. I was taken a little off guard by the minister's quick and short answers. I would like to ask him how soon this legislation will be introduced.

Mr. Davis: Possibly in the next session, Mr. Speaker.

UNEMPLOYMENT INSURANCE

ALLEGED UNFAIR PRACTICES IN QUESTIONING RECIPIENTS

Mr. Jack Cullen (Sarnia): Mr. Speaker, I got up at five o'clock this morning to catch a plane so that I could ask this question.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Cullen: My question is directed to the Minister of Labour and in his absence I would ask his parliamentary secretary to take notice of it. In view of announcements by the minister's department that it is seeking out people who are improperly collecting from the Unemployment Insurance Fund, would the minister advise his investigators that cross-examination and the asking of loaded questions of retired people drawing this insurance is inviting serious protests? As a supplementary question, in regard to the refusal to permit a union representative to be present while questioning is taking place, would the minister consider that this procedure should be changed?

HOUSE OF COMMONS

TELEVISING OF HOUSE AND COMMITTEE PROCEEDINGS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Is the government now thinking seriously of bringing parliament to the people by allowing television coverage of this chamber and, if so, when can a decision be expected?

Mr. Speaker: Order. The hon. member realizes that this is a question which has been asked from time to time. I wonder whether it is in order to ask it again today.

Mr. Paproski: Then, Mr. Speaker, may I just ask whether the Prime Minister will give serious consideration to placing before this honourable chamber an appropriate motion embodying the considerations outlined in my first question?

THE SENATE

FILLING OF VACANCIES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to ask a supplementary on the question of participatory politics, which is related to television. While television may bring the general public into this chamber, when is the Prime Minister going to bring the people of British Columbia into the parliament of Canada and make the four appointments to the Senate that have long gone unannounced in that chamber?

Mr. Speaker: Order, please. Orders of the day.

[Mr. Cullen.]

BUSINESS OF THE HOUSE

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, if I may. Yesterday the President of the Privy Council said that if the house agreed, the government would be willing today to ask for first reading of the bill to amend the Statute Law (Superannuation) Amendment Act. Since notice of this has appeared on the notice paper I wonder if the President of the Privy Council would ask the house for consent to give it first reading so that we can see what is in it? I hope there will be something in it worth seeing.

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. Would the house give unanimous consent to waiving the 48 hour notice requirement so that this bill could be given first reading today?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND CANADIAN FORCES, DEFENCE SERVICES, R.C.M.P. AND PUBLIC SERVICE SUPERANNUATION PROVISIONS

Hon. Donald S. Macdonald (President of the Privy Council) moved for leave to introduce Bill No. C-178 to amend the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act and the Public Service Superannuation Act.

Motion agreed to, bill read the first time and ordered to be printed.

FINANCE

PROPOSED AMENDMENTS RESPECTING INTERNATIONAL MONETARY FUND AND EXCHANGE FUND ACCOUNT

The house resumed from Monday, February 24, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that Bill No.

C-138, to amend the Bretton Woods Agreement Act and the Currency, Mint and Exchange Fund Act be read the third time and passed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to make a few remarks on this bill at this stage. It is concerned with the matter of increasing drawing rights. As previously explained in the house, it is concerned with the matter of providing working capital to countries in connection with expanding world trade. By virtue of the extent of the drawing rights created it may be of some assistance, and no doubt will be of some assistance in providing more time to avert crises and to correct situations where disequilibrium exists; but primarily it is a matter of providing the world with the means of handling expanding world trade.

• (12 noon)

There has been some discussion in the house concerning whether more measures are required, whether this bill, for example, together with other provisions being made, is adequate to avert the kind of recurring crises we have had in terms of international currencies. I believe I am correct in saying the Minister of Finance (Mr. Benson) has stated that the government of Canada is giving no consideration to reverting to a floating exchange rate. We recently had a speech by the Governor of the Bank of Canada in which he emphasized the importance of countries pursuing appropriate domestic policies. The Governor has given his view that no possible reforms in international currency arrangements would be able to offset weak or misdirected domestic policies. I wish to state, Mr. Speaker that I discuss any statement made by the Governor of the Bank of Canada with great respect to him. I admire very much the contribution he is making in his office.

I think it is perfectly correct to say, as the Governor of the Bank of Canada said, that no reform of international currency arrangements can possibly be devised which would offset weak or misdirected domestic policies. I believe this is true, but I believe also that it is only part of the story today. This is what I want to emphasize. It is true we could not possibly devise any system of international currency arrangements which would offset or neutralize misdirected domestic policies. Nevertheless, where there is a seriously undervalued or seriously overvalued currency this substantial undervaluation or overvaluation does constitute a continuing source of trouble and danger to other countries.

For example, if it is true, as has been suggested, that the German mark is substantially undervalued, this does provide a competitive advantage to West Germany. It also constitutes a constant threat of crisis as a result of continuing speculation that sooner or later there will be some change made in the value of the German mark, that is, that it will be valued upwards or that other currencies will be devalued downwards. As long as this kind of situation exists it constitutes a potential source of crisis. On the other hand, when a situation exists in which a currency is substantially overvalued, as apparently was the case in Britain before the pound was devalued and is now sometimes asserted to be the case with regard to the French franc, this again constitutes a potential source of crisis.

We can never know when a loss of confidence will suddenly develop with regard to the continuation of affairs as they now exist. Once such a loss of confidence sets in a crisis develops, and it is very difficult to know what countries may be caught up in the crisis. We in Canada ought to be very much aware of this after our experience last winter which in turn, of course, followed the devaluation of the pound and the resulting feeling of uncertainty that arose from the devaluation of the pound. No country should have a better understanding than Canada of the rapidity with which crises can develop and the significance that crises can have for our country. Therefore I think we must recognize that where there is in fact either a substantial overvaluation or undervaluation of an important currency this constitutes a source of danger to us.

With all respect to the views expressed by the Governor of the Bank of Canada, I submit it is necessary to provide better machinery than we now have for correcting these situations and for revaluing currencies when they are substantially out of line with reality. Certainly we need arrangements for policing; we need arrangements for encouraging countries to follow appropriate domestic policies. Certainly I agree, as I said before, that no arrangements we make could possibly offset the detrimental effect of misdirected domestic policies. Where a serious disequilibrium develops, however, I suggest we must regard that as a potential source of crisis and danger to other countries including ourselves. We must be interested in developing more satisfactory arrangements for correcting these

overvaluations or undervaluations, as the case may be.

I realize that a good deal of progress has been made with regard to international currency arrangements. We have this bill now before us which represents a very substantial step forward. I would not question that at all. I believe that recently agreements have been reached between the governors of the important central banks in the world with regard to control over the movement of hot or speculative money. These are important steps forward, but I submit in all seriousness that the machinery we have now still remains inadequate and that our own monetary stability can be threatened any time by developments abroad in virtually any part of the developing world. There is a need for an orderly readjustment where necessary rather than just a policy of letting nature take its course because finally we would be confronted by very disorderly readjustments postponed to the point where they are virtual explosions when they take place.

This very day when we are discussing this matter fears exist with regard to uncertainties relating to currencies, which again remind us of how these crises can blow up quickly, of the experience we had last winter, and that it is not good enough, I suggest, simply to put the emphasis upon the importance of countries following appropriate domestic arrangements. Certainly we must emphasize that, but it is in the interests of Canada to seek improved international arrangements for removing serious disequilibriums where they exist.

I say with all respect and I hope all humility that undervaluations and overvaluations can exist which domestic policies will perhaps not correct because they have gone beyond the point where domestic policies can effect the necessary corrections. We must recognize that efforts to correct overvaluations or undervaluations of currencies may result in the development of very severe restrictions on and interference with the flow of international trade. So we need machinery to improve the methods of readjustment. As Canadians we cannot feel easy with matters as they are now. We cannot feel that arrangements today are adequate because we cannot know when we in Canada or indeed the people in virtually any country may suddenly be confronted with a crisis that has developed as a result of a lack of machinery for orderly readjustment.

[Mr. Stanfield.]

• (12:10 p.m.)

No country has a greater interest in this matter than has Canada.

This is one reason I was very concerned by the attitude of the Minister of Finance (Mr. Benson) when he returned from Europe at the time of the crisis involving the franc and the mark and suggested to the Canadian people that this was really a European problem which did not relate to the Canadian dollar. It is very true that the Canadian dollar was not under attack at that time but it is most unfortunate when the Minister of Finance suggests to the people of Canada, either intentionally or otherwise, that we ought not to be seriously concerned about developments which profoundly affect another country. Anyone who knows what we went through last winter must be very conscious of the danger which may result to Canada from these crises wherever they may develop in the world.

I realize that the influence of Canada is necessarily limited. We are only one country and not the largest in the world in terms of population and influence. I realize that achieving better arrangements represents a very complicated and protracted task. I know something about the time it took to achieve international agreement between the major countries on the matter we now have under consideration, the creation of increased drawing rights. The complexity, the difficulty and the length of time involved in reaching such agreements are however, all the more reason for Canada to be pushing as hard as it can and giving whatever leadership we can in emphasizing the inadequacy of the present arrangements and working for the necessary improvements. The length of time required, plus the obvious dangers with which we are confronted, makes it imperative that we view our situation realistically, that we realize that we and other countries, perhaps Canada in particular, are in a very exposed position. I am not speaking as an alarmist, but I am speaking as one who tries to see the realities as they exist. So I urge the Minister of Finance, the Parliamentary Secretary and the government not to feel for a moment that the measure now before us makes adequate provision to meet the dangers which exist. I urge them to recognize that we do need improved arrangements and that we never know when a crisis will occur. And when it does strike it may hit us a blow which we would find difficult to fend off.

For these reasons, since the Minister of Finance is not in the house, I urge the Parliamentary Secretary to bring to the minister's attention the representations I am making today. I urge him and his colleagues to do their best to rally the interest of other countries in this subject and to push forward toward achieving the necessary reforms in international currency arrangements so as to provide us, not with security, because we cannot have security unless we handle our own affairs properly, but at least with a feeling that we shall not constantly be menaced by crises which develop abroad over which we have no control and which we cannot affect through the conduct of our own affairs.

Mr. Alastair Gillespie (Etobicoke): Mr. Speaker, I listened intently to the remarks of the Leader of the Opposition (Mr. Stanfield) and I share his concern, as I am sure do all members of the house, about the danger of recurrent crises on the international front. I share his concern that there should be so much over which we have no control, and I suppose most Canadians wish they could somehow insulate themselves from these events.

The truth of the matter is that we are part of a system which does not lend itself well to control or to prearranged ways of preventing the recurrence of the kind of crisis which has occurred. The Leader of the Opposition said we need new machinery. Again I agree it would be desirable if we could find some way of dealing with these situations. But I ask him what sort of machinery he would propose. Does he propose a new international institution which would deal with international monetary matters in a way in which the International Monetary Fund does not now deal with them? We have the Group of Ten. We have the general agreement to borrow. Would he propose yet another organization to discuss the settlement of international debts? Would he propose a floating exchange rate?

I do not think it is enough to say we need new machinery. I think we must consider this subject in two ways. First, we must prepare ourselves to meet the fact that these crises will recur. If we understand their nature a little better we shall be able to react without panic and to some extent we shall be able to anticipate them and prepare ourselves against eventualities which I believe may well become part of the international system under which we live.

A week ago the Bank of Canada raised the bank rate to 7 per cent. This is not a crisis level by any means but it does indicate there is an important movement afoot internationally. The last time we had a 7 per cent bank rate was about a year ago. That was because the presidential guidelines had been introduced and because there was concern about the effect of those guidelines on Canada's balance of payments position. Let us go back a year and view this move by the Bank of Canada in context.

Last December the United States federal reserve system raised its prime rate from 5 per cent to 5½ per cent. This action was followed almost immediately by Canada which raised its rate from 6 per cent to 6½ per cent. On February 27, a week ago last Thursday, the United Kingdom raised its rate from 7 per cent to 8 per cent. It was followed a day later by the Bank of Canada. The Governor stated when this change was announced "that the recent increase in short-term interest rates abroad had been reflected in rising short-term interest rates in Canada and that the higher rate would enable the Bank of Canada to retain an adequate degree of flexibility in its operations." The Bank of Canada was reacting in a defensive way, the way in which all central banks react when they increase their interest rates in reaction to the international situation and to the basic disequilibrium which exists.

• (12:20 p.m.)

This action follows on the fact that the countries concerned have not yet resolved the problems that exist in respect of the franc and the mark. We are in danger, as the Leader of the Opposition indicated, of returning to a beggar thy neighbour policy. It is against this background that I should like to make a few comments in respect of special drawing rights relative to Canadian policy-making and to Canadian understanding of the world in which we trade.

I think the scheme is a good one and I am delighted that all the speakers for all parties who have spoken so far support the bill before us. The scheme is good but—I will deal with the "but" in a few minutes. It will not really correct the main problem in respect of the massive movement of short-term funds. At the same time we should also realize that the system is stronger than some would suggest. The United States dollar is strong, it is not weak. During the past year there have been many suggestions that the United States had a major balance of payments problem and that they might have to devalue the dollar in some form. I hope to show in a few

minutes that the United States dollar is the strongest currency by far in the world at large. I also want to draw attention to the fact that too often if we think of the international monetary system purely in terms of foreign exchange we may be overlooking one of the most important things as far as Canada is concerned. I refer to the net debt position of Canada in holdings of foreign assets.

Part of the problem of dealing with the sophisticated area of international finance is a problem of language. This can also be associated with ideas of mystery, gnomes of Zurich, stealthy, shadowy characters and speculators, particularly when one refers to gold standards, gold exchange standards, which followed the gold standard, and convertibility, hot money and cool bankers, floating rates and sinking funds, runs on the pound and crawling pegs, billions and bullion. To most of the public these are terms which do not inform or illuminate.

Let us examine in a few minutes, if we may, some of the fundamental transactions which occur in the international foreign exchange system. It seems to me we are concerned primarily with three types of transaction. We are concerned with transactions which relate to financing of foreign trade. We are concerned with those things which I referred to earlier, the financing and handling of short-term capital flows, and we are equally concerned with the financing of long-term capital flows.

The financing of foreign trade is of particular importance to Canada. Last year Canadian exports rose to a record level. They increased by 19 per cent over the previous year. Canadian exports reached the unprecedented figure of $13,576 million. This put exports on a per capita basis somewhere around $650 per person in Canada. In other words, the exports Canada makes are equivalent to $650 for every person in the country. This shows enormous improvement in foreign trade by our country. This is important to a far greater extent relatively to Canada than to the United States where their exports are roughly 4 per cent of the gross national product compared with the Canadian figure which is close to 20 per cent.

What are the foreign exchange reserves which are used to finance this movement of capital in respect of the trading account, short term or long term? Essentially, up to now they have been two, gold reserves and what are called reserve currencies. The reason for the S.D.R.'s is that international liquidity as reflected by these two units, that is gold and reserve currencies—primarily United States dollars—has not been expanding very quickly. Gold, for instance, has hardly expanded at all. The gold supply in international affairs for handling international transactions is of the order of about $40 billion. This has increased since 1950 by about $6 billion and has since tapered off. Reserve currencies, primarily United States dollars, have risen. That is to say, the holdings by other countries of United States obligations increased from $5.4 billion in 1950 to $18.3 billion in 1967. This is an increase of some $13 billion. The major part of the increase in world liquidity for the last 15 to 20 years has been provided by an increase in the gold supply of $6 billion and an increase in United States obligations of $13.5 billion. This is roughly $20 billion out of a total increase of close to $24 billion.

The United States has made it clear it is not prepared to increase its obligations abroad at the rate it has in the past. As I indicated already, the gold supply has not been increasing relatively in recent years. If we are going to finance more world trade on trading account we are going to require a new unit. This is what the special drawing right is designed to do.

Let us look then at the question of the intermediate, that is to say, the short-term massive flows which have been destabilizing the system, and which I think will continue to act as destabilizers. There is no question but that this will continue and I see no way of preventing it. We have to recognize that the frequency of short-term massive flows will grow because the relative positions of some countries will diminish through lack of productivity, lack of will, mismanagement or inflation. Their foreign exchange positions are likely to degenerate into deficits in their balance of payments. Those who are interested will start to speculate against the exchange value of that currency.

Similarly, in recent years, particularly within the last year, one can see the effect of unexpected disaster and I refer particularly to the situation in France—the student riots which stimulated or generated the situation we see in France today and about which the rest of the world is jumpy. One of the prime reasons for the current nervousness in the international monetary system, which we have noted within the last two days, is the apparent unwillingness of labour unions to accept the suggestion put to them by their leaders. In other words, there is an increasing

lack of confidence in the ability of France to manage its economy and retain the value of its exchange rate. At the same time the economies of other countries may grow stronger. This will happen because countries like Germany will grow faster for some of the reverse reasons I have already mentioned—better management, better technology and perhaps fortuitous circumstances. We are going to see a change between the relative positions of countries throughout the world. This will always result in speculation by those who are looking ahead in respect of the effect on the exchange value of the currency.

• (12:30 p.m.)

As we have seen, there has been an unwillingness throughout history, certainly post-war history, on the part of various countries of the world to adjust their exchange rates, as the original I.M.F. provisions anticipated, on a more gradual basis. The original figure was 10 per cent. Very few countries took advantage of this and in many cases went beyond the 10 per cent in the first bite. This has had a destabilizing effect.

Listening to the remarks of the hon. member for Waterloo (Mr. Saltsman), I was curious about his views on the floating exchange rate and how it might serve to solve some of these problems. It was a rather curious, tentative flirtation, it seemed to me. Each time he came close to his subject, each time he was just about to embrace her, he backed off and said that what we really need to do is talk about it some more.

I have referred to the short-term swings, the fact that there will almost inevitably be speculation against the rate because there will be changes occurring as between countries, the unexpected disaster aspect, possibly war, and the temporary measures that may be introduced by governments such as those introduced a little over a year ago by the United States government.

I refer now to the guidelines and to the effects of direct investment. There has been an enormous increase in foreign holdings throughout the world, that is to say, holdings by countries in the fixed assets of other countries. This has been associated with the growth of the multi-national firm. With this growth one can see that there is likely to be greater opportunity for short-term swings as far as capital flows are concerned, because the multi-national firm itself, the international firm itself, will become an agent of moving funds to protect its interests.

As I said earlier, we have seen the defensive actions taken by governments trying to prop up their balance of payments positions by increasing interest rates. This undoubtedly will continue, and undoubtedly we will see more interest arbitrage in years to come. I am trying to emphasize that I think this is the kind of world to which we must adjust ourselves. I do not think we will find easy or quick solutions. I believe we will have to continue to rely on bilateral arrangements, on massive standby credits, and in particular on the enormous strength of the United States foreign assets position. I would like to refer to that for a moment.

In 1950 the United States net external assets were $14 billion, that is to say, United States residents owned abroad $14 billion of assets more than others owned of assets within the United States. By 1966 this figure had risen to $52 billion. I am not including their gold position in this figure. This was a net increase of $38 billion in the foreign holdings of the United States. They financed this in part by a decrease in their gold supply, that is, they sold off approximately $10 billion, and by increasing their obligations in U.S. dollars. With this kind of net position abroad they are in a position at any time, through their corporations, to raise foreign exchange in very much the same way as when a company is short of liquid capital, working capital, it can raise a mortgage against its assets.

Too often we are reminded that the United States is in a deficit position in regard to its current account. It is. The United States, because it has sold off a large part of its gold holdings, because it has increased its foreign obligations, is in deficit by $3.5 billion. In the United Kingdom the figure is a little higher. But both these nations have substantial foreign holdings in fixed form. I suggest that their position is not nearly as serious as it might first appear, if we recognize this strength in behind. For instance, if the United States, as it has been doing, sells its gold, a non-revenue producing asset, to invest in new technology in Europe, surely the United States and the United States dollar are more secure, not less.

I would now like to turn to the position of Canada in the same context. We have foreign exchange reserves of the order of $2.6 billion. They have varied between $2.5 billion and $2.8 billion and may go higher as a result of certain understandings arrived at between Canada and the United States not long ago. I am concerned about the fact that we are likely to become so concerned about the level of

our foreign exchange reserves that we will overlook one of the most important figures to Canada and Canadians. I am referring to the Canadian external assets and liabilities account and the increase in our net deficit position from $4 billion to $24 billion.

In 1949 Canadians owned foreign assets, assets abroad, of $5.3 billion, and foreigners owned in Canada $9.3 billion; in other words, others owned $4 billion more of us than we owned of them collectively. By 1967, according to the latest estimates I have, we increased our assets position by $10 billion; in other words, Canadian holdings abroad increased from slightly over $5 billion to $15 billion. At the same time, our liabilities, that is to say, what others owned of Canada, increased from $9.3 billion to $39 billion, an increase of the order of about $30 billion.

This is the mathematical reflection of the foreign ownership argument, the foreign investment argument, about which we have heard a great deal. I am sure we will hear still more about it. In my view, the fact that others own $24 billion more of us than we own of others collectively, and the fact that this has been increasing year by year, is of major concern to Canada and Canadians.

The classical economic argument was that the young country would be a debtor country but as it developed its own, infant industries, as it developed its own technology, it would break out of the debtor position and become a creditor nation. This was associated, and I think still is associated in many minds today, with Canada contributing to the under developed countries. But we are $24 billion in deficit on our foreign assets account. If we are to make major investments in the underdeveloped world we will have to find ways that we have not yet found of increasing our own wealth.

• (12:40 p.m.)

In closing I would like to emphasize that the special drawing rights are not a solution to the major problem that we have, that is, the control and understanding of short-term capital flows, but they do indicate an interest and an awareness on the part of the international community in dealing with this problem. They represent a very useful enterprise in co-operation on the economic front. To that extent, and to the extent that they impose disciplines on surplus nations and disciplines on deficit nations which use the S.D.R.'s they are a significant contribution to the stability of the international monetary system. We have to recognize that there will be recurring crises. I think we should be encouraged by the fact that the United States dollar, which is the keystone of the system, is very much stronger than it appears to be, and on the other hand Canadians have to face up to the question that their deficit is increasing. We have not arrested it; it is still continuing, and each time we make ourselves more vulnerable because if at any time those who have invested in Canada decide they want to repatriate their money, to that extent they put the Canadian dollar under pressure.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this bill may I say first of all that I support it. I would like to make a few brief comments on the international money system and a few suggestions as to avenues that we might explore as a nation to help in the recurring monetary crises. I am sure all of us know that it has been a bad year for the international payments system. First we had sterling devaluation, then the gold crisis and the introduction of a two-tier price for gold, and then massive speculation stemming from the belief that the mark would be revalued and the franc devalued. I have not included the so-called Canadian dollar crisis last winter because it was not in reality a crisis at all. At that time the United States spending guidelines for American corporations which were extended to subsidiaries operating in Canada caused an air of panic in the Canadian government which was both unseemly and unnecessary. A repetition of those events must be avoided at all costs.

The most recent crisis, however, has been exceptional in its sudden onset, in the degree of international disagreement it has revealed, and in its likely political and economic consequences. The immediate starting point was the political difficulties in France last spring where stability was restored by another inflationary push to the economy. France has pursued a policy of economic expansion reinforced by substantial drawings from the International Monetary Fund. Confidence in the monetary system was not forthcoming.

Germany played a crucial role in these events. It is unfortunate that our government was in hiding as our strong balance of payments position could have enabled us to participate fully in a restructured international monetary system. The franc crisis accelerated the trend toward tax increases and trade restrictions. It might be added that our intervention, if indeed there was any, was singularly unproductive. The policies that

were announced were greeted with consternation in many quarters.

The immediate question is: Will the measures be sufficient to preserve the system? Only time will tell, but few observers believe that the conference proposals have much chance of success. If this view is correct, will the revisions of the Bretton Woods Agreements Act as outlined in Bill C-138 solve our problems? Some particular tensions could be healed, but the important fact is that an imaginative approach is lacking. Political leadership appears to be lacking here. This will have important consequences, such as speeding up the attempt to enter the European Common Market with further harm to our export potentials.

It is clear, however, that major reforms can no longer be delayed in the international payments position. The United States played a less dominant role than usual recently because of the interregnum following the American election. This should have presented Canada with a greater opportunity to submit some bright new ideas.

Bill C-138 provides for special drawing rights. These apparently are allocated according to the size of each country's international monetary subscription without any further outlining of objectives. These special drawing rights provide additional lending power. The lending power that is created in this way should be used creatively, possibly in conjunction with World Bank loans or the International Development Association, or perhaps as part of a price stabilization program for primary products. This could be a big help to Canada where various products are subject to international price competition, and therefore this is something that we should push.

Some change in the American approach to the price of gold cannot be ruled out. More radical are other ideas, such as to allow greater exchange rates flexibility by using perhaps the so-called "crawling peg".

The proposed legislation could be improved in other ways too. There must be a better way to combat currency speculation.

The interrelationship of trade and aid is well known, and the dependence of our economy on exports makes it logical that we should try to think ahead, to be more pragmatic and to exert our influence in a constructive fashion. One of our problems will be to restore confidence to the international trading community.

The present policies do not have much chance of success over the long run. If this view is correct, it would be appropriate for Canada to be in the forefront of change and to suggest those policies which would be in our interest as long as they are consonant with the interests of the major powers. It might be added that there is little evidence that we have anyone standing up for Canada in these discussions.

May I close by saying that I feel this bill is a step in the right direction but that much more needs to be done.

Mr. Cliff Downey (Battle River): Mr. Speaker, I believe that Bill C-138 lacks certain features. Today as never before we need new leadership in this field. After all, it is more than a generation since we instituted major reforms in our monetary system. The opposition is often erroneously scorned for its lack of constructive proposals, but I think it is a well known human failing that one blames others for one's own faults. In general I believe this bill should be approved. However, I would like to re-emphasize the words of the Leader of the Opposition (Mr. Stanfield) that international monetary systems, no matter how well they function, will not take the place of well directed domestic and trade policies within the country itself.

Most people who have thought about and studied the international monetary system agree that there is need to enlarge the world's monetary reserves, and there is no easy or simple solution to our problems in this field. For example, merely increasing the price of gold would not really solve anything. At this time we must find new solutions to new problems when the leadership and system that have been wanting must be replaced by a new point of view.

For example, the special drawing rights created by this agreement can best function if they are allied with all the reserve assets of the various participating nations. Each country could earmark part of its reserves to this new fund but would retain title to them. If Canada put in $800 million in gold, $1 billion in dollars and $500 million in special drawing rights, it would have a total credit of $2.3 billion. It could use this reserve to settle its account and would use its reserve assets in the proportion earmarked.

• (12:50 p.m.)

Again, it seems that this reserve fund could be used productively. The mere existence of an important reserve balance would enable us to put a larger percentage of our foreign exchange reserves into, for example, an aid

program to the Colombo group. Our foreign exchange fund of $2.5 billion was inadequate a year ago, but it was supplemented by I.M.F. credits. If reserve assets were placed in a new organization, a greater proportion of those assets could be put to work in some constructive enterprise.

It has been suggested that there should be a better way of dealing with sudden capital movements in various markets such as brought about the quick flight of capital from Canada a year ago. There should be new methods to offset destabilizing but reversible short-term capital movements. Last year we had to appeal to Washington to amend its guidelines with regard to United States corporations operating in Canada. It would have been a lot less demeaning had there been some international assistance on which to call. The International Monetary Fund eventually provided us with credits, but we had to make urgent pleas to the United States first. Reserves had to be borrowed in Europe and in the United States, and subsequently our bank rate was raised to 7½ per cent and the money supply was tightened. These moves, of course, hurt business activity.

Perhaps we could assist in establishing regional arrangements under the umbrella of an over-all I.M.F. system. Caribbean countries would welcome something along this line. The more these nations are helped to establish their credit, the greater the trading opportunities for us. The developing Commonwealth countries would buy more if they could obtain credits and if their currencies were more solidly established. The great resources of the free world are not in doubt. All that is needed is their effective utilization, and we must now think about taking a few steps in that direction.

Most economists now call for greater flexibility in determining exchange rates. Fixed exchange rates are not fixed forever, of course. All that happens is that the changes, when they occur, are bigger than they would be if there were a 1 per cent or 2 per cent annual adjustment. This kind of compromise would allow for gradual changes to take place. None would be so drastic that they could not be offset by changes in interest rates, which would prevent the flow of funds out of one country. If exchange rates varied, say, one twelfth of one per cent per month or 1 per cent per year, speculators would probably decide that currency raids were not worth the trouble. It would cost exporters and importers a little more to protect forward commitments if currencies were allowed to fluctuate by wider margins, but many major balance of payments disturbances could be avoided by permitting wider spreads in currency values. If speculative incentives were removed, Canada would not be so compelled to change its interest levels, regardless of the effect upon its domestic policies, in order to meet situations created by the demands of foreign creditors.

United strength has kept the free world strong and productive. The important question now is whether we can make some necessary changes. If we fail to rise to the challenge we shall only ensure that our problems will grow, and it will become more difficult later to find a way forward. I see little evidence in the bill before us of the new look necessary to ensure progress and stability.

Mr. Gray: Mr. Speaker, I see it is only a minute or so before one o'clock. I wonder whether I might call it one o'clock?

Mr. Speaker: I am advised that the Parliamentary Secretary has already spoken in this debate and unless there is unanimous consent he cannot speak a second time.

Mr. Knowles (Winnipeg North Centre): On a point of order, I believe Your Honour ruled that the previous intervention by the Parliamentary Secretary was on a point of order and was not a speech.

Mr. Speaker: As I mentioned a moment ago, I am speaking on the basis of information received. Of course, I do not have before me what was said earlier. The hon. member for Winnipeg North Centre (Mr. Knowles) reminds me of an occasion some days ago when the Parliamentary Secretary was speaking on a point of order and I had to make it clear he was not really participating in the debate. If that was the same debate, the ruling I made at that time stands, of course, and the Parliamentary Secretary will be entitled to speak after two o'clock.

[*Translation*]

Mr. Latulippe: Mr. Speaker—

Mr. Speaker: Does the hon. member for Compton wish to take part in the debate?

Mr. Latulippe: Yes, Mr. Speaker.

[*English*]

Mr. Speaker: There is a further complicating factor. I understand that the hon. member for Compton wishes to contribute to the

debate, and there may be other hon. members who also wish to do so.

Mr. Gray: I gladly yield to them, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to participate in the discussion on Bill C-138 providing for amendments to the Bretton Woods Agreements and other legislation.

Many things could be said on this subject. We had even contemplated introducing amendments but due to the international nature of this legislation which has been prepared in advance by experts in international finance, it is rather difficult for any one in a government such as ours to propose amendments. However, we should be benefitting from these agreements as we are participating in them. However, the main features have been established by the world's higher financial authorities and it is rather difficult to propose an amendment intended to reconcile the requirements of human beings and those of industry.

Therefore, such being the case, we will have to be satisfied in commenting on the general aspects of the bill and analyzing its impact on Canadians. What are the advantages to be gained by these improvements, by changes brought about by the large financial institutions?

Mr. Speaker, it is our opinion that the suggested improvements are nothing but haphazard solutions. This legislation will not cure the ills. It could delay their aggravation or diminish their effects temporarily, but the consequences are nevertheless unavoidable, until some day the situation becomes worse than ever.

• (2:10 p.m.)

In respect of debt repudiation, we have not seen the last of that. The results of these economic ills will be delayed by this sugar-coated pill prepared for us by high international finance, which we will have to swallow in spite of all our objections. Canada could surely get out of these agreements if its economy and financial status were sound. In fact, some countries do not need them to finance their operations, and they live just the same and even trade with other countries. We are a member of that organization, and should any difficulties arise in this country, we could get a sugar-coated pill to delay the progress of the disease. That will not remove the effects of the disease. Indeed, we shall have to put up with them later and it is just a question of time.

Mr. Speaker, the world is always on the move, going through the failures and successes of the great international wars which are, as it were, serious surgical operations that are none the less the strong evidence of a surprising vitality and even of a better recovery.

In 1944, at the end of the war, when one could expect that it would wind up successfully for the allied powers, financial experts from all parts of the world met in Bretton Woods, in New Hampshire and laid the groundwork for postwar international operations. After long discussions, it was decided to establish the International Bank for Reconstruction and Development and the International Monetary Fund. This was considered as an economic and not a political system. Russia sent non-participating observers, because she did not want to be considered a capitalist country. She wished to retain her Communist or socialist philosophy, which of course differs from capitalism or economic liberalism.

Mr. Speaker, we are in 1969, 25 years after the Breton Woods Agreements. A quarter of a century has elapsed since those famous meetings where the great bankers of the capitalist countries laid the foundations of an international monetary system. We must reflect on the happy or unhappy results of the structures of those organizations, on their qualities which must be preserved and their weaknesses must be eliminated.

Mr. Speaker, in short, those institutions were useful and even necessary. The experience of 25 years can be very instructive and reassuring for all countries. I think the International Bank and the International Monetary Fund are necessary and must be maintained. We must study closely their mechanism with a view to improving it and making it more effective as well as more accessible to the countries which cannot benefit from it, even though they are members.

Whatever the differences, Mr. Speaker, which seem to exist between the various currencies, as well as between various methods of administration and various economic philosophies, political economy is based upon

the same needs, the same requirements and the same imperatives.

Everywhere, Mr. Speaker, the production of goods and services is made by adults, for the whole population. That production has two purposes: consumption of those goods and services by the whole population, and capitalization of surpluses to ensure future production as well as the development of production, producing instruments and constant productivity for a progressive national and international population.

Everywhere, Mr. Speaker, we find that production equals consumption and capitalization. Whether in a capitalist, socialist or Communist country, everywhere the production of goods and services is made for consumption and capitalization by adults and by the whole population.

Thus, a distinction should be made between monetary, economic and political systems. This new distinction, at least for persons who are not aware of the great international principles, can be very useful to understand what appears to be so complicated when money is mentioned in our economic and political discussions.

Everyone knows that production is achieved through capital and labour, and that capital deserves a wage, an interest, if it is reasonable. The resulting buying power is then used to purchase a share of the output. All that is part and parcel of an economic system, of an international banking system or of the Bretton Woods Agreements, if you want. That is one aspect of the present economy. A distinction has to be made between the monetary system and economics.

In July 1942, the end of the war was felt to be near. The larger countries had an eye on the post-war period and were planning whatever orientation might be given to the international economy, by means of super-national agencies. In Bretton Woods, in 1944, the question was not to create the United Nations Organization but to organize the financial affairs of the capitalist nations. The point was not international policies but international finance. The two subjects are always treated separately even though financiers and statesmen of national or international standing are often the same people.

It must be understood and recognized that all those organizations are a far cry from the small enterprise and oblivious to the needs of the individuals and their families. Financial delegates or members of this great institution are only concerned with big problems.

[Mr. Latulippe.]

At such a high level, that of the large undertakings, only capital and capital gains are protected and promoted. The individual, the family, the farm and the small industry are completely disregarded at the meetings of that institution. At that stage, only the millionnaires in countries belonging to international institutions take part in the discussions.

• (2:20 p.m.)

One has to realize that the delegates to such great exhibitions of international financial know-how get quickly into the habit of talking in millions of dollars and easily forget the problems of cents, dollars, work, family budget, purchasing power, unemployment, social or family allowances.

Even if Mr. Deutsch resumed his post from 1963 to 1968 as president of the Economic Council of Canada, he is already used to great financial ways, to financial and international theories and principles. Even if Mr. Rasminsky became later Governor of the Bank of Canada he is already more concerned with millions and billions rather than with the needs of small institutions, families and small industries in Canada, because large businesses seem able to draw his attention. Those big shots are managing the economy of the country with a mind opened to the consideration of large projects rather than the needs of the individuals and the family. This is why I say that Mr. Rasminsky has no qualms about increasing the rates of the Bank of Canada when it suits him or the great powers, even if it is prejudicial to the nation. As Governor of the Bank of Canada, he has the power to do it and no economist or official of the present government can intervene, not even the Minister of Finance (Mr. Benson).

We must understand them and leave them to their elaborate explanations, but we must develop another argumentation from the bottom, to get to the needs of families, small family businesses, farms, stores, still the most important part of the population, without which there would be no country to sign the Bretton Woods Agreements.

If the large institutions handle millions and billions of dollars accumulated through profits, and reserve capital, it must be borne in mind that their importance is due precisely to the great many small employees, the millions of salaried workers who administer family budgets.

Among the great Canadians present at Bretton Woods were the right hon. Louis St-Laurent, then Minister of Justice and later Prime Minister of Canada, the hon. Lio-

nel Chevrier, Parliamentary Assistant to the Minister of Munitions and Supply and later Chairman of the St. Lawrence Seaway Authority, Mr. G. F. Towers, then Governor of the Bank of Canada, who remained in that office until 1955, Mr. J. J. Deutsch, Assistant to the Secretary of State for External Affairs, who was to become later the Chairman of the Economic Council of Canada in 1963, Mr. Louis Rasminsky, deputy chairman of the Central Council of the Foreign Exchange Board, who became governor of the Bank of Canada. It will be noted that all these great Canadians, like all the great financiers and politicians of other countries who were present when the Bretton Woods Agreements were signed, stood aloof from individual and family problems and were deeply interested in matters of millions and billions of dollars with which important national and international institutions are able to deal.

When they founded the International Bank and the International Monetary Fund at Bretton Woods in 1944, the least of their concerns was the protection of the individual and of the family within which the individual can grow.

It must therefore be understood, Mr. Speaker, that on that solemn occasion when the Bretton Woods Agreements were negotiated, the participants were thinking big, they were thinking in terms of millions and billions and not in terms of the cents and dollars of the citizens of Canada and other countries.

In 1944, when soldiers fell every day by the thousands on the battlefields, the importance of the individual was certainly the least worry of politicians and bankers, whether national or international.

Capital and its relevant institutions claimed all the efforts of the learned men assembled at Bretton Woods.

The idea was to place international organizations above even the most powerful and prosperous national organizations belonging to the 44 countries represented there.

Such was the spirit pervading the minds of politicians and financial leaders of the greatest countries in the world. So they set up an International Monetary Fund, and an International Bank which, in fact, are hardly anything else but extensions of national, financial and banking organizations. Such are the broad lines; details are irrelevant.

There is no use asking those huge organizations to save the individual human being, who is born and raised only too often unfortunately in slums.

You will notice that politicians, businessmen and bankers of high national and international standing are all university graduates so they cannot help doing what they were taught to do at the university. When they realize that their great distinction leaves behind them and their mighty organizations such dismal failures as unbalanced economies or wide gaps between the rich who go on growing richer and the poor who sink ever deeper in poverty and destitution, here is their excuse: We have to act according to what we learned at the university.

From the political, financial, economic and banking points of view, the basic training is dispensed by the same central universities, English, European or American; they teach the same political philosophy, the same techniques and the same doctrines.

The universities of Oxford, Paris, Louvain, Rome, Harvard, M.I.T., which our Canadian, European and American economists attended, teach, discuss and dialogue in the same way on all financial and economic matters.

Mr. Speaker, it is almost unbelievable. In the smallest parish, where there is a credit union, or the branch office of a bank, you will find, even if it is on a small scale, the monetary, economic and political mechanisms found on an international scale in Bretton Woods, the International Monetary Fund and the International Bank.

Whether we study the infinitely small or the infinitely large, our world is so well made, so well adjusted that we find the same phenomena, the same problems, the same solutions, the same difficulties, the same research and the same conclusions.

Everywhere money is a means of exchange controlled by the financial and economic powers that be, the great world bankers. They control the economic blood of the nation.

Mr. Schreyer: Mr. Speaker, may I put a question to the hon. member?

Mr. Latulippe: Please do.

Mr. Schreyer: Mr. Speaker, the speech of the hon. member is most interesting.

Would he not admit that the international capitalistic system cannot exist without agreements such as those of Bretton Woods?

Mr. Latulippe: Mr. Speaker, if I understood correctly, I am asked whether an international capitalistic system can exist without the Bretton Woods agreements?

I shall say yes. We could denounce those agreements. All we would have to do then is to restore the balance in our national economy.

• (2:30 p.m.)

But we participate in them, because it is some kind of assurance taken for fear of future events. Since we are afraid to find ourselves in a bad position, we are participants in the Bretton Woods Agreements. We realize this is not a proper solution, but it is our belief that we can thus be assured of some protection and that we will be in a position to assist other countries which are in a similar situation. Through co-operation, those countries which are better off economically and which have signed those agreements will be able to help other countries whose economy is less well balanced.

In my opinion, those are so many reasons which explain our participation in the Bretton Woods Agreements.

Mr. Speaker, everything is on the move, production, consumption and capitalization. However, some balance and harmony should also be found everywhere. It is no more difficult to achieve this balance both on the national and the international levels than on the personal, family, municipal, provincial or federal levels. Those three national, international or world levels really exist, in a quite different way, indeed, but always according to the same laws and principles. It is a matter of economic and political administration through money, capital and credit where there is trust among fellow-men. Man is the basic element of this problem. Man is always the origin of financial transactions involving millions and billions of dollars on the national, international or world levels.

In short, considering the world history and the history of money, I heartily rejoice in the present world situation of 1969.

Some twenty five years after the Bretton Woods Agreements and the end of World War II, we can see much progress in the world. I think it is proper to say again that even though we did not have at our disposal the economic tools capable of being most helpful for high financial institutions which were more or less accessible to the people, who could not derive full benefit from them, our capitalistic system is still the best in the world. It is up to us to maintain it because as compared to the socialist or communist systems, we see

that our capitalism has a right to exist, providing we correct the abuses it allows sometimes.

When the United States succeed in sending three cosmonauts around the moon, and when Russia succeeds in coupling two Soyouz and cosmonauts in outer space, such accomplishments show the kind of progress, evolution and development achieved by the human race. And this is only the beginning of the fantastic developments expected before long. But let us come back to our monetary, economical and political problems. Man is the source of all activities, national as well as international. Instead of criticizing our monetary, economic, political and university systems, let us be happy about these marvelous accomplishments, and let us work with confidence towards the improvement of some simple details overlooked by higher authorities, overconcerned with the establishment of international organizations.

One should not blame the monetary, economic and political systems. They must be criticized if they do not operate with the greatest efficiency expected. However, all organizations are operating better and better and with more and more efficiency. Now, we must make them operate fully, with the utmost efficiency in the smallest detail as far as individual and family needs are concerned. There is abundance for all. The individual and the universal are one and the same thing. Millions and billions should not make us overlook cents and dollars. In my opinion, that is how we should first consider the Bretton Woods Agreements.

Even if, at the present time, we have not been able to improve that very complicated legislation already prepared by the great international financial organizations, yet we have something to say to influence our representatives and the leaders of the country. We must ask them to consider not only the great problems but also the lesser ones. There are minor urgent problems that must be settled. However, only great problems are dealt with, for the benefit of great institutions. Smaller institutions must also be helped. In my opinion, we are responsible for trying to influence our representatives who are negotiating the Bretton Woods Agreements.

Mr. Speaker, it is in that way that we will be able to achieve something. It is not by getting rid of everything good, because what is good should remain. It is not by destroying that we will build. We must build, but it is forbidden to destroy.

Established in 1944 through the Bretton Woods Agreements, the International Monetary Fund and the International Bank are now 25 years old. Both institutions have had significant effects. They did much more through their activities and the central leadership given to member States in the post-war period than if every country had been left on its own, without any guidelines.

The Monetary Fund and the International Bank have at least created a climate of confidence between small and great nations, between the war-torn countries which had to rebuild everything, and the countries which were spared massive destruction and we were able to co-operate, according to a definite plan, to the reconstruction and the development of devastated countries.

That those institutions have been beneficial to the most powerful of the member countries, and that others benefited less, that remains to be ascertained. Some improvements could be brought about if necessary but on the whole, the existence of those institutions has been greatly justified and much appreciated by all.

The unrest which persists in some countries can be corrected in the long run, and the weaknesses of those institutions may be remedied to ensure an even greater efficiency and benefit to all countries concerned, and even to the whole world.

The uneasiness at the heart of certain international financial organizations is similar in nature to the deficiencies which appear in the monetary, political or economic systems of countries, provinces, cities and villages. The powerful help the less fortunate, but demand to profit from it, which is normal and profitable for all concerned, large and small alike. Profit is necessary to all, but the essential thing is to bring about a certain balance between the participants. Proportion, balance, and harmony, all are needed. One must live and give to each according to his talents and his needs. We, who are strong, must help those who are not as yet. Let us help each other, for we are all friends and brothers, and we all have the same Father.

That is what we must strive to achieve, at the level of international institutions, as well as at the national, federal, provincial, regional, community, family, social, personal, and individual level.

All individuals and all nations are interdependent. The entire world is made up of human beings living on earth. Unrest between countries or citizens of the same country are always due to a lack of proportion, balance and harmony. All those qualities are within the scope of the human mind, according to the capacity of human beings managing different institutions.

Normally, it should not be more difficult for the Minister of Finance to balance his revenues, expenditures and profits in his national budget than for the president of the Royal Bank of Canada to balance the balance-sheet of his bank or the head of a family to balance the family budget, always according to the same sound formula: administration, revenues, expenditures and profits.

• (2:40 p.m.)

When there is abundance and over abundance for all, but some make excessive profits compelling others to show deficits prejudicial to good administration and understanding, the proportion, balance and harmony are destroyed. Whether at the individual, municipal, family or international level, those imbalances must be eliminated.

To maintain the balance of international economy the economic flow between those nations must be abundant and sufficient, because if the economic pressure exerted by institutions is too great, societies will be in a bad way and unbalanced.

On the other hand, if the economy of a country is too weak, new blood must be injected to bring about economic stability, in much the same way it is done to improve the circulation in a human body. The person who suffers from high blood pressure must get a treatment likely to lower the blood pressure. But in cases of low blood pressure, tonics must be prescribed in order to restore normal conditions, and enable the person to be active and enjoy life again.

Mr. Speaker, the same holds true in respect of national or international finance. Our economy lacks stability. In fact, some people get too much profit at the expense of others. Some people are poor because others make excessive profits. That is what is happening at both the international and national levels.

Mr. Speaker, we should try to get those things through to our distinguished university people who can improve and stabilize the world or our national economy. I have not enough connections to contact them but government members are powerful enough; they can bring forth the necessary arguments and they should think about the country. The national economy must be stabilized so that

we can finally enjoy a perfect system which will develop to help the people and do away with the dissatisfaction and the disasters we experience today.

We must all assume our responsibilities in this respect. As far as I am concerned, I am prepared to assume my responsibility. If I were influential enough to wind my way among the participants in the negotiations on the Bretton Woods Agreements and try to make them understand my ideas, I would do it. However, I am only a member of the opposition, but common sense tells me that in spite of a lack of balance, the existing system is good. Therefore it must be retained. Capitalism is the best system in the world, it is its abuses which must be corrected. It is those abuses which are putting our economies out of balance and this explains why damage is done. We do not know the cause for the present financial uneasiness. To put an end to that uneasiness, we must remove the cause. There is always one. As long as we do not endeavour to remove the causes, we will not have settled the problem.

As to international drawing rights they are new credits which banks will be able to issue at will; the banks will issue international credits exactly as national banks are now issuing credits within their own countries. This was not done previously. It is somewhat an improvement inasmuch as it is better than nothing. However, then again, it will not solve the problem because if we are going to issue credit bearing interest, the latter will not be created at the same time. Reimbursement of credits which have been issued, plus reimbursement of interest which has not been issued will be required. This may lead, later, to a national unbalance. There still will be repudiation of debts, because we have not found the real solution to the problem.

If debt free credits had been issued, a solution to the problem would have been found, but since these new credits will run every country into debt, they will enable international bankers to take over the assets of a country. Then, one day, that country will be unable to make its payments because it will not be able to give back more than it has received, and its economy will lose its balance. From an international point of view, it is simply a time bomb given to the nations.

Again, these new credits do not constitute the real solution to the problem we should correct, but if one does not have any bread, one eats something else. This legislation is put to us all prepared in advance by these great institutions, and there is nothing we can say.

[Mr. Latulippe.]

We want to bring forward some changes, but we know that nothing will be changed. We have discussed that in committee where the bill was considered clause by clause. I asked some questions and big financiers answered that the unbalanced economic situaion that we know at this time, as well as the repudiations of debts we have already known, will not be eliminated. There will be more repudiations of debts. That was recognized in committee. We discussed and scrutinized this problem. I am convinced there is not much that can be changed. However, we should remain firm in our convictions.

[*English*]

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Latulippe: Merci, M. le President.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my remarks will be short and very much to the point. If hon. members have not realized it already, it is high time we came to the conclusion that just patching the crutches of present international monetary policy is not good enough. All Bill C-138 does is further extend the Bretton Woods Agreement as it applies to international financing. The needs of the international monetary situation in relation to both the developed and underdeveloped countries deserve something far more lasting and permanent than this.

It seems to me that we have no alternative at this time but to support Bill C-138. Again I say it is impossible to continue patching up the old system while at the same time thinking it is going to serve us very much longer. We can have no better example of this than the situation involving the French franc at this very moment. France is in difficulty in this regard and every nation in the free world is concerned, because no nation can stand alone on monetary policy in this time of freer trade when trade is so desperately important.

• (2:50 p.m.)

A few months ago Canada was in difficulties. At the present time our dollar is reasonably stable and our international credits are not in too bad a condition. But in view of what is happening on the world monetary scene, this condition is temporary. The American dollar is in difficulty; the British pound is in difficulty. As long as we countenance this situation we are hastening the day of reckoning. The situation will then be all

the more difficult because a more realistic approach was not taken to this problem.

I think Canada should be doing something to improve the situation. We are in a very favourable position to take the lead in this matter. In the Committee of Ten, which is conducting a continuing study of international monetary policies, Canada should take the lead and bring forward forthright and realistic reforms that will cause the entire monetary picture to be effective so far as the needs of the world are concerned.

Not too long ago, when studying the economic problems of some of the developing nations, I realized that the chronic deficit in the balance of international payments situation of the underdeveloped countries is such that it is increasingly difficult for these countries to even repay their obligations to the World Bank. Therefore this problem affects the underdeveloped nations as well.

One of the great needs in the international monetary area is greater liquidity. Only if we have this liquidity can we effect the transfer of those things that enter into the over-all aspect of international trade and international settlements. There is today very little support for replacing the existing system and beginning a new arrangement; therefore we continue as we have in the past, trying to fill the gaps and plug the holes in the World Bank and in the arrangements that came out of the international agreement at Bretton Woods. Therefore, the problem is forever with us.

It seems to me that one of the great needs on the international scene today is for a bank of international settlements where the problem of gold, its value and repricing could be set aside, because even as the gold standard was inadequate for us 30 years ago the gold standard on the international scene is just as inadequate today. If a bank of international settlements were set up, there could be a much freer settlement of international accounts, which would encourage trade. This would not only make the situation easier for the developing countries but would ease the pressures on the main currencies on the international scene.

My comments are aimed at that single point, Mr. Speaker. While we lend our support to Bill C-138, this is done with full acknowledgement of the fact that all we are doing is further extending a system that has already proven to be inadequate. I hope the government will take advantage of this opportunity to give leadership in the committee of which we are a major member in order that a completely new approach may be taken to this whole problem.

The seriousness of the situation is emphasized to us in Canada by reason of the increasing cost of living and the fact that inflation is taking a death grip on our entire economic picture as it is related to other countries of the world with whom we must compete in international trade. The agricultural industry is basically concerned with this problem. Other primary industries are concerned with it. If it were not for the tremendous imbalance of trade that we have with our neighbours across the border, the United States, perhaps we would be forced into a position where we would understand that even Canada, in its favoured position, cannot continue as we are. These few words emphasize the point I am trying to make, Mr. Speaker. I draw to the attention of the house the necessity of a completely new approach in this regard, and I urge the government to take some leadership in the matter.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I hesitate to follow immediately the free-flowing expertise of the two previous speakers on the subject of international monetary arrangements. However, I should like to address a few words to the subject matter of Bill C-138. Some outspoken members this afternoon have referred to the Bretton Woods Agreement as being nothing but a negative force or institution in the world scene. I take this opportunity to express the conviction that it would be a sad day for the free world, the western world, if we were to lose whatever orderliness we have achieved in the post-war period through international monetary arrangements. I think the communist block would be more than happy to see some kind of departure from international monetary arrangements in the western world, because they hope that sufficient chaos would result to bring about that breakdown in the western capitalist and social democratic systems for which they have long waited. I agree that there are deficiencies in the present arrangements under the Bretton Woods Agreement. Nevertheless, the essence of the agreement is such that we must take the position that it must be reformed gradually and from time to time over the years.

In so far as the specific content of this bill is concerned, having to do with the establishment of special drawing rights, this is a welcome move. My colleague, the late hon. member for Nanaimo-Cowichan-The Islands, over

the last three or four years that I recall consistently urged successive ministers of finance to urge on the international monetary negotiators on behalf of Canada just this kind of move, namely, the establishment of special drawing rights. I see the Parliamentary Secretary to the Minister of Finance (Mr. Gray) nodding his head in agreement. I am happy that this much is established. Therefore this move, in so far as it goes, is welcomed.

However, I express disappointment that more fundamental reforms have not been suggested. Perhaps I overestimate the importance of it, but it seems to me that in the course of the last three years we have witnessed enough disequilibrium, enough shake-ups in the currencies of various countries which are party to this agreement, that we can say a malaise exists in the international monetary system.

Something more ought to be done than what is involved in Bill C-138. The creation of special drawing rights is fine. It will add to international liquidity. As has been suggested by previous speakers, the hon. member for Red Deer (Mr. Thompson) in particular, I think it is generally agreed that as world trade has increased in the past decade there has not been a proportionate increase in the means of settling the accounts involved in international trade. Therefore we welcome the move to increase liquidity by means of special drawing rights.

The question should be asked: Why was not this done sooner? I think the answer lies in the simple fact that there exists in some countries a certain basic, primitive kind of selfishness. Those countries which had a healthy balance of payments situation in previous years were often the ones that opposed any concrete move toward the establishment of special drawing rights. The same countries that opposed it when their balance of payments situation was healthy later supported the establishment of special drawing rights when their balance of payments situation turned negative.

• (3:00 p.m.)

When the situation became really bad they were the ones to become most active in advocating these special drawing rights. Perhaps it is not important to question motives, but both the United States and France created the most difficulties when special drawing rights were discussed. One of them has certainly come around full face in favour of them and, although I have not had time to check lately, I suspect that even France has now come around to a rather lukewarm support of S.D.R.

There is another point I wish to express. It seems obvious to me that if national governments are expected to surrender some of their sovereignty in financial and economic affairs for the sake of international orderliness, this is fine. But if national governments are expected to do that, then I suggest that citizens of these nations should likewise be expected to do so. It has always surprised me that some of the countries which are parties to the Bretton Woods Agreements, and to other international monetary arrangements, have never required as a matter of law that their nationals be prohibited from holding gold in private stock.

I believe that some of the bad effects of international monetary speculations have been due in large part to the speculation carried on by private persons with large funds and economic power at their disposal. These people have used their position and privilege to speculate to the detriment of their own country, and of the free world as a whole, because if one country in the free world falls into financial chaos, it follows logically there would be a chain reaction. I do not know why the international monetary authorities have not yet recommended or requested that member national governments take legislative action to prevent or prohibit the holding of gold stocks in private hands.

I was a member of the delegation visiting France last December, and at that time the President of the French Republic took the opportunity to make a lengthy speech on the subject of international monetary arrangements, and of the French currency situation in particular. He certainly did not spare anyone's feelings in condemning the action of private speculators and the detrimental effect they have on their country and on their fellow citizens.

Although I feel that in Bill C-138 we are finally taking the desirable action hoped for in the past five years or more, namely to increase international liquidity by setting up special drawing rights, there are still other even more fundamental things to move toward in international monetary arrangements.

Finally, I should like to refer to something which the hon. member for Edmonton West (Mr. Lambert) mentioned, as reported at page 5896 of *Hansard* for February 24. He was joined by other hon. members, including my colleague, the hon. member for Waterloo (Mr.

Saltsman). He spoke about the extent to which a member country of the Bretton Woods Agreement can choose between various kinds of foreign exchange rates. I am not sufficiently expert in the field to be able to make a judgment as to whether free floating exchange rates are preferable as compared to fixed, but it seems to me that when an international monetary arrangement impinges so much on a country's financial affairs that it cannot choose between two different kinds of exchange rates, then perhaps that international agreement is too restrictive. For slightly more than five years, we in Canada have been so rigidly committed to a fixed exchange rate that at times it put us in a nonsensical position, and this has been allowed to continue for too long.

I believe the hon. member for Edmonton West may well have had a point when he suggested that between a rigidly fixed exchange rate on the one hand and, on the other hand, a free floating exchange rate there may well be a common sense, flexible arrangement, namely an exchange rate fluctuating between an upward and a lower limit. This may well be the most sensible course for Canada to adopt. I tend to agree with him and hope that the minister, his parliamentary secretary and those with whom they are associated in the parliamentary committee, will give this suggestion very close consideration.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, hon. members have made many interesting comments, and expecting this to be the case I rose at the opening of this debate on third reading on a point of order to indicate that it was my intention to speak after others had spoken so that I would be able to attempt to respond to at least some of these comments.

[*Translation*]

I think it would be proper to recall that the object of this bill is to ratify certain amendments to the Bretton Woods Agreements. Those amendments resulted from negotiations during which the representatives of the Canadian people played a most active role. They provide for the creation of special drawing rights.

I must point out to the hon. member for Compton (Mr. Latulippe) that this bill is designed to allow Canada to take part in that program of special drawing rights.

[*English*]

The hon. member for Edmonton West (Mr. Lambert) made some interesting comments about the continuing need for conditional liquidity. I think it should be noted that even with the creation of these special drawing rights, which are a form of unconditional liquidity, there continues to be a place for conditional liquidity. The ability to have increases in this latter sort of liquidity continues to exist through the mechanisms in the International Monetary Fund agreement which makes possible increases in the existing quotas of the members of the I.M.F. In this way, the fund will be able to meet the needs of its members for both types of liquidity.

I was most interested to learn that the hon. member for Selkirk (Mr. Schreyer) seems to have a greater degree of sympathy for the workings of the Bretton Woods Agreement and the International Monetary Fund than does his colleague, the hon. member for Waterloo (Mr. Saltsman). I think it was very useful for the hon. member for Selkirk to remind the house of the views of the late Colin Cameron, the former member for Nanaimo-Cowichan-The Islands, who over the years spoke very strongly in favour of the creation of a form of managed currency in the international field which would be somewhat analogous to the managed currencies which have been created in modern countries of the west.

• (3:10 p.m.)

Certainly, I was concerned to hear what seemed to be an indication from the hon. member for Waterloo of less support for this concept than the late Colin Cameron exhibited. But I was pleased to note the support for it put forward by the hon. member for Selkirk. We should recall that Canada is particularly dependent on the existence of a smoothly operating system of international trade. The hon. member for Waterloo appeared to cast some doubt upon the wisdom of Canada's participation in such a system, but I suggest we cannot expect to enjoy its benefits if we are not prepared to take part in the processes of international negotiation and discussion for its improvement as we have been doing over the years, one result of which is the bill we are now considering. I sincerely hope the hon. member for Waterloo is not seeking a return to the conditions which persisted before the first world war, conditions of autarchy, with

declining world trade and resultant depression and unemployment.

I would point out to the hon. member for Waterloo that contrary to what he appeared to suggest in his remarks, the rules of the fund do not provide for a veto to be held by any one country. Though the size of the quota of the United States gives it a certain weight in voting, the same could be said for the common market countries acting together as they would be able to do under one of the amendments to the fund agreement which we are considering. We should recall that the International Monetary Fund exists not in the interest of any one country but in the interests of its members as a whole.

I should also point out with respect to the ability of member countries to draw what is known as the first tranche that no special conditions have been laid down in advance for so doing, contrary to what was suggested by the hon. member for Waterloo.

The special drawing rights scheme provides a way of supplementing present stocks of international reserves including those which are held in the form of gold at their existing prices. Again, therefore, contrary to what appears to have been suggested by the hon. member for Waterloo, the scheme will not have the effect of doubling the price of gold.

The hon. member for Dauphin (Mr. Ritchie) made some interesting comments about the possible uses of the new special drawing rights. It should be remembered that the purpose of creating these rights is to add to the supply of international reserves a form of unconditional liquidity. Once the scheme is in operation participating countries will be able to use these rights without accepting conditions of the type which could be imposed on them in connection with the use of the present rights, the only conditions being the repurchase obligation which I described at an earlier stage of this debate and a further obligation through which participants in the special drawing rights scheme are expected to use those rights basically for balance of payments purposes and not solely to change the condition of the reserves. I should also like to thank the hon. member for Etobicoke (Mr. Gillespie) for his useful and stimulating comments.

The participation of the Leader of the Opposition (Mr. Stanfield) in this debate demonstrates how an understanding of the importance to Canada of a smoothly operating monetary system can cut across party lines. I can assure him I shall bring his remarks to

the attention of the Minister of Finance (Mr. Benson). As he perhaps knows, I am here on behalf of the minister and on his behalf I have had carriage of this piece of legislation from the outset.

I wish to assure the hon. gentleman that the Minister of Finance and the government are following developments on the international monetary scene very closely. The active participation of Canadian representatives in negotiations leading up to the formulation of the special drawing rights scheme, and the present efforts of the government to obtain parliamentary approval for Canada's participation in it show, in my opinion at least, the importance which the government attaches to such matters.

As I pointed out during earlier stages of this bill, the special drawing rights scheme is an important step forward in the development of the international monetary system. As I have said before, and in this I agree with some of the remarks made by other hon. members, it should not be considered to be a panacea or a cure-all for the problems of the international monetary system; there will continue to be problems to be dealt with within the context of that system. Nevertheless, the existence of this scheme will help ensure that the future growth of world trade and payments will not be impeded by a lack of reserves in the system. This is very important to Canada, as the hon. member for Etobicoke pointed out, since we are a major trading nation. Our prosperity—the prosperity of our workers and farmers—depends on world trade to a degree equalled by only a very small number of other countries.

This is why I ask the house for approval of the amendments before us. They represent a package arising from negotiations in which Canadian representatives played a very active part. The passage of this bill will mean that Canada is giving formal agreement to the creation of this special drawing rights scheme as well as an indication that it will be taking part in it.

For the program to come into effect, the amendments to the International Monetary Fund agreement must be accepted by at least three-fifths of the membership of the International Monetary Fund holding at least 80 per cent of the total votes. As of December 31, 1968, 27 countries representing 42.2 per cent of the total votes had given their approval. As of February 13, 1969, 34 members representing 50.51 per cent of the total voting power had accepted the amendment. The minimum number of countries whose support is

required for the agreement to come into effect is 67 and Canada's acceptance will add a further 3.2 per cent to the votes. This will not only bring the scheme nearer to adoption but it will, it is hoped, encourage other countries to approve of the scheme coming into existence.

Once the scheme has been accepted by the required majorities it will be possible for the first time for international monetary reserves to be created by deliberate and joint action of the nations belonging to the International Monetary Fund to meet the requirements of the whole international monetary system.

I think most hon. members who participated in the work of the Standing Committee on Finance will agree with me when I say that contrary to what was suggested by the hon. member for Waterloo this bill did receive detailed study there. Serious attention was given to it by members of the committee representing all parties in this house. At the time we seemed to be completing our work, no member of the committee thought it necessary to rise to propose that the study be continued, that witnesses be recalled or that further witnesses be heard. The committee held seven meetings on the bill, earh extending over several hours, and during those meetings it heard evidence from senior officials of the Department of Finance and the Bank of Canada, the men who have represented our country in the negotiations leading to the development of this special drawing rights scheme.

The committee heard the views of economists linked with banks and investment houses on the question of exchange rates and other related aspects of the international monetary system. Members were able to question the witnesses directly on the subject of the bill and related matters in a way which would not have been possible had the bill remained in the committee of the whole house under the old rules in force before the Christmas recess. Therefore, it is my feeling that the opportunities members of the committee had there certainly brought about a broadening of understanding on the part of all who participated in the hearings on the issues and problems connected with international monetary policy.

• (3:20 p.m.)

In conclusion, let me thank the hon. members who have participated in the discussion of this bill both in the house and in the finance committee. I again ask the house for its approval and support of this bill so that we can participate in this special drawing rights scheme which is a step forward in the development of a system of international payments and world trade, something very important for both the present and future prosperity of Canada.

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

PEST CONTROL

REGULATION OF PRODUCTS USED IN CONTROL PROCEDURE

The house resumed, from Friday, February 21, consideration of the motion of Mr. Olson that Bill C-157, to regulate products used for the control of pests and the organic functions of plants and animals be read the third time and passed.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I am not going to be too long in debating this bill which was gone into at length in committee, but there are one or two matters that I believe should once again be raised, not for the advice of Your Honour, not necessarily for the knowledge of the Minister of Agriculture (Mr. Olson), but specifically for the information of the members of this chamber and the people of Canada in general. It has been stated both in the press and on the radio that there is a growing fear that a police state is developing in this country. The minister shakes his head indicating a negative answer.

Mr. Olson: Exactly the opposite.

Mr. Horner: The minister says from his seat "exactly the opposite". I am pleased to hear him make that comment, because this is the second piece of agricultural legislation that has granted huge powers to an individual of the minister's choosing. Under clause 6 of this bill, the minister may designate any qualified person to be an inspector under the act.

An inspector under this act is given license to open the door and enter any premises. An ordinary policeman must have a search warrant to enter a house to see whether or not drugs, for example, are on the premises; but an inspector under this act can walk into any premises without notice and carry out an inspection in any way he wishes.

Although the minister says that we are moving in the opposite direction, I have already told the house that this is the second piece of legislation connected with agriculture that grants huge powers to an individual of

the minister's choosing. Other pieces of legislation similar to this are continually being brought before the house to grant wide powers to individuals who, in a policeman-like manner are permitted to control use of products, or the marketing or manufacture of such products.

Therefore, I must caution the country at this time, through you, Mr. Speaker, that unless we are prepared to honour these civil liberties that we often speak of in this chamber, some day we may find ourselves severely restrained and policed. This would mean that new ideas and products, or new uses of existing products, would be restricted.

That is the point I wanted to raise on third reading of this bill, particularly so far as clauses 6 and 7 are concerned. Clause 6 gives the minister the power to choose inspectors, and clause 7 outlines the duties of such inspectors. According to this bill, inspectors may enter any place or premises for the purpose of carrying out the provisions of the act.

As a result of this provision, wide powers are conferred. The acts deals with many situations and products, including pesticides which, in a sense, are lethal drugs. Inspectors are given the power to control the normal and beneficial use of drugs and insecticides. These inspectors are given more power than we give our own police to control the spread of drugs in society.

As I say, this is the second piece of agricultural legislation that has conferred such powers, and we have seen similar powers conferred in other legislation since this government has taken office. I, therefore, raise that warning and hope it will be heard, particularly by the backbenchers of the Liberal party. I trust that this trend, or what appears to be a trend, into which the country is drifting will be stopped.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a few observations to make with regard to this bill. We have dealt with other bills in similar form that control people's actions, shall we say, because we are living in this modern age of technology. When we take this step, I think the law should have some special application to this end. My main complaint against this particular bill is that it contains provisions to enable individuals who fall afoul of the regulations made pursuant to the act to be prosecuted.

I do not think we should adopt the standard criminal procedures and apply them to actions that are taken under regulations of this kind. I cannot see any need for a provision in this bill to enable an individual who has violated the terms of the act to be indicted and made liable to imprisonment for two years. I do not think this situation should be permitted. The emphasis and the provision should be civil, and if I misuse the term I am sorry, but the approach should be the imposition of a fine. If a retailer or someone who operates a factory persists in violating the act, some move could be made against his operation for a period of time. An individual who has violated this act should not be classed as a criminal. It is outdated for an inspector to go to a justice of the peace, who may or may not be knowledgeable in the law, in respect of someone who in his opinion has violated this act. The inspector should go to a proper magistrate. I would assume that if there were a miscarriage of justice in this initial stage and the individual were charged, there would be a right of appeal. However, this litigation will cost him time and money.

• (3:30 p.m.)

Legislation of this type should not put the individual to any more trouble or inconvenience than is necessary to control dangerous pesticides. These can be very dangerous if used in the wrong time and place by people not aware of the possible consequences. People who act in this manner are not necessarily criminals. This is what concerns me, Mr. Speaker. The individual must not bear any more burden than is absolutely necessary. These measures may not appear important to urban dwellers.

There are five counties in the province of Ontario which have regulations concerning the movement of farm material, and these affect many farmers. I do not expect the government will change this bill at the third reading stage, but I would urge them in future to tailor the provisions of the law so that they will specifically achieve the objective which is desired.

Hon. Marcel Lambert (Edmonton West): This bill, Mr. Speaker, seeks to control quality and distribution of pest control products. It can be deemed an honourable objective to improve the quality and method of production of these products which, as a result of experience, have shown deleterious effects when improperly manufactured or applied. Beyond that this bill is the most bureaucratic nonsense I have yet come across.

I spoke on Bills C-154, C-156 and now C-157. The minister has come up with a scissors and paste job on various sections of acts completely wiping out the rights of the individual vis-à-vis the bureaucracy that would enforce this act. I know this is quite immaterial to the minister who likes to let the juggernaut of the big government employee or representative roll over the rights of the individual.

Regulations can be made under this act, none of which require to be published. When speaking recently on one of the other acts the minister protested and said they will be published, but there is no guarantee that any regulation must be published. There is still provision in the Regulations Act that the Governor in Council can deem it necessary or expedient that the regulations shall not be published.

Mr. Olson: But we will publish them, as I told you.

Mr. Lambert (Edmonton West): As I said the other day, Mr. Speaker, the road to Hades is paved with good intentions. These are only pious intentions. The minister's statements are not worth one iota in determining legal rights in the interpretation of this act. When it comes to a court of law, if one is able to do so, the minister's words or those of anyone else are meaningless. I ask the minister to get advice from the judicial offices of the Crown as to what is binding upon a court. We are interested in the precise letter of the law, nothing more, nothing less, rather than the minister's interpretations. The court must reach its own conclusions.

I now turn to the question of detention of products. It is the inspector who determines the seizure and detention of products. He decides how long they are to be detained or if they are to be destroyed at the owner's expense. He ensures that the provisions of the act and the regulations have been complied with, "or at the expiration of six months from the day of seizure, or such longer period as may be prescribed with respect to any control product"—

There is no statutory guarantee as to the length of time products may be detained. My colleague, the hon. member for Crowfoot (Mr. Horner) mentioned the powers of an inspector under Clause 7. As I indicated when speaking on the other bills, any qualified person acting as an inspector for the purposes of this act can move into any premises at a reasonable time. What is a reasonable time? Is it any time between six in the morning and ten at night or even midnight? The inspector may examine any product, search the premises and may require the production of books and bills.

• (3:40 p.m.)

There is no appeal from this provision. The man is given a certificate indentifying him as an inspector of the Minister of Agriculture for the purposes of this statute. Then he has complete right to do what he sees fit within the ambit of the regulations set by the minister. As I pointed out, police officials in search of drugs or of stolen property must have search warrants, but there is no necessity for a search warrant under this legislation.

This is bureaucracy run rampant, yet members on the government side of the house sit silent. They are the ones who are making a great show about a just society and the protection of individual liberties. It is hypocrisy on their part for them to remain silent in this case.

It is not so much the agricultural aspect of this bill that bothers me as it is the question of legal rights. Hon. members opposite laugh. I hope some day they will laugh on the other side of their faces. I hope some of them will run into circumstances where one of their constituents is caught by this provision. Then, we will see them bleating to the minister that one of their constituents has been ill treated. If that happens it will be because they have allowed the minister to ride rough shod over the rights of the individual by allowing this provision to remain in the bill.

Let us look again at clause 9, dealing with seizure and detention, and with the regulations to be made under this clause. As I said we have taken scissors and paste, taken provisions from the acts and put them altogether in this statute embracing all these offences.

The other day in committee we were dealing with Bill S-4 concerning the marking of articles made of precious metals. I argued with respect to a clause dealing with offences that the word "knowingly" had to be inserted. The minister agreed to consult the law officers of the Crown and later the government itself brought forward an amendment to insert the word. Precisely the same clause is in this bill as originally was in bill S-4.

I shall read clause 10 which states:

> Every person who, or whose employee or agent, violates any provision of this act or the regulations is guilty of
>
> (a) an indictable offence and is liable to imprisonment for two years, or
>
> (b) an offence punishable on summary conviction.

In other words, a person does not even have to know he has violated the provisions of the act to be subject to a penalty of up to two years imprisonment for an indictable offence. The minister's colleague says that an offence must be committed knowingly, but the Department of Agriculture says a person is absolutely liable. Do we accept that? Is that the proper standard for justice?

Mr. Olson: May I ask the hon. member one question?

Mr. Lambert (Edmonton West): Yes.

Mr. Olson: The person is dealing with lethal products. Shouldn't he know what he is doing?

Mr. Lambert (Edmonton West): But there are so many ways of violating any provision in this statute, and of violating regulations that are not even published.

Mr. Olson: They will be.

Mr. Lambert (Edmonton West): The minister says they will be. He is talking hot air, and he knows it, when he says they will necessarily be published. There is another point that the minister has failed to mention, that the burden of proof under this statute is placed upon the person himself. Clause 10(2) reads:

> In any prosecution for an offence under this act, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

The burden of proof is on the accused to show that he did not know his employee was doing something in strict contravention of the act.

The minister says that these are dangerous products. I ask what about narcotics? Yet the minister arms his inspectors with far greater powers than the police have when dealing with narcotic cases.

I agree there has to be some control over pest control products, but do we need this type of control when the minister proposes to trample over the rights of individuals in every possible way merely to satisfy a bureaucratic desire to have simple administration? It can be the rights of an individual, of a manufacturer, of a large corporation or of a small corporation. It does not matter which because this legislation will ride rough shod over their rights.

The minister has the support of hon. members sitting behind him who say nothing. As I said previously, I hope to goodness that one of these days they will laugh on the other side of their faces when one of their constituents comes to them because of action taken by the minister's officials under this legislation. I dare say most of the hon. members opposite have not read clause 5 outlining the powers given to the Governor in Council to make regulations. As so aptly pointed out by the hon. member for Peace River (Mr. Baldwin), they are prohibited from raising these points in committee.

• (3:50 p.m.)

An hon. member opposite laughs. I would just like to tell him that when we were dealing with Bill S-4 in the standing committee and I was arguing that the word "knowingly" had to be inserted in order for a person to commit an offence, Liberal members of the committee, lawyers included, started to argue that I was all wrong and that it was not necessary to insert the word. However, the Minister of Consumer and Corporate Affairs (Mr. Basford) had the good sense not to argue the case then, and simply said he would consult with the law officers of the Crown. It took him only 24 hours to let me know that he thought I was right on that point. Under the powers given to the Governor in Council by clause 5, regulations can be made that will tie up anyone and deliver him impotent for trial as the bureaucracy wishes. We are quite supine in this house when we give the cabinet all this power. We wash our hands of the thing like Pilate; that is what we think of the rights of individual citizens when we pass bills of this kind. I for one will vote against this bill not because I disagree with the fact of pest control but because I disagree with the method proposed by the government in doing this.

Mr. Cliff Downey (Battle River): I, too, Mr. Speaker, am very concerned about this legislation. Under clause 7 of this bill powers are granted to an inspector who is not the choice of a group of people and who has not been elected. The inspector is to be appointed by

one man and is to be given far more power than are the police or any other official body in this nation. In all other fields of law, we are very concerned about civil rights. Even murderers, thieves and extortionists are given rights. Sometimes they are given rights that make conviction seem impossible. Yet, here we are putting into effect regulations which virtually make farmers the slaves of bureaucratic whim and which make private property rights in the agricultural segment virtually non-existent. Farmers have no guarantee of their rights in this regard. We all know that when laws are made they seldom are retracted. In the aggregate, we end up in a morass of regulations and controls which stifle personal initiative.

As my colleague the hon. member for Edmonton West (Mr. Lambert) has stated already the burden of proof in areas relating to ordinary crime is such that the individual is considered to be innocent until proven guilty. Are the farmers of this nation such terrible citizens that they must be guilty until they can prove themselves innocent? The Minister of Agriculture (Mr. Olson) has always seemed to me to be a reasonable man and therefore I ask him, for heaven's sake, and for the sake of the people in agriculture to please reconsider this clause.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

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

FARM MACHINERY SYNDICATES CREDIT ACT

AMENDMENTS TO BROADEN PURPOSES OF LOANS, ENABLE CO-OPERATIVE ASSOCIATIONS TO OBTAIN LOANS, ETC. —REPORT STAGE

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-112, to amend the Farm Machinery Syndicates Credit Act, as reported (with an amendment) from the Standing Committee on Agriculture on Friday, February 21, 1969, be concurred in.

Motion (for concurrence) agreed to.

The Acting Speaker (Mr. Béchard): When shall the said bill be read a third time? By leave now?

Some hon. Members: Agreed.

Mr. Olson moved that the bill be read the third time and passed.

He said: Mr. Speaker, I should like to take a few minutes at this stage because there is a major amendment of which the members of the committee are well aware but which might not be known to all members of the house who are here this afternoon.

It is an amendment to include in the Farm Machinery Syndicates Credit Act, through passage of Bill C-112, provisions so that farmers who are Indians on reserves may have the same right and access to provisions of this act as those included in the amendment to the Farm Credit Corporation Act. In this way these farmers would have equal rights with any other citizens under the provisions of this act.

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I should like to take this opportunity to say a few words on this particular piece of legislation. Before I speak specifically about it, I should like to draw the minister's attention to something which has to do with a piece of legislation that passed this house on October 15. I am referring to Bill C-111 in respect of the Farm Improvement Loans Act. The other day I was surprised to receive a report from a constituent to the effect that the regulations in respect of the part of that legislation having to do with the buying of land have not been approved. This is a rather serious matter for farmers who wish to buy additional land this year, because they find that the money they expected would be available through the medium of this act is not available. Therefore, I would ask the minister to see that these long overdue regulations in respect of loans to farmers are brought in immediately so that farmers who are planning their spring work may be able to buy the additional piece of land they wish to buy.

Now, I should like to speak about the Farm Machinery Syndicates Credit Act. I notice from the Grey County Federation of Agriculture report that the practice of going to England to buy farm tractors is still going forward. This report is in the form of a bulletin issued at the time of a "Meet the members meeting" of last week. This bulletin states in part:

> The Federation of Agriculture and farm people in general are still waiting for the Barber Commission Report on Farm Machinery to be handed down. We are confident that this report will bear out the fact that Canadian farmers are being grossly overcharged for their machinery compared to their English counterparts.

Then, it goes on to say:

> We are presently bringing in several tractors for our farmers to further expose this price discrepancy and with the hope that machinery com-

panies will lower their prices of main-line equipment.

It is rather interesting to note that quite recently the Federation of Agriculture became interested not only in bringing in tractors but also in bringing in a great many other items of farm machinery which they suggest can be purchased in England for a good deal less than in Canada. The result is the farmers feel there is a discrepancy and that they are not being treated fairly. No tractors are being manufactured in Canada. Tractors should be available to all the farmers in Canada at the reduced prices and not just to those who, because they have some money of their own, are able to go to England to arrange for these purchases.

On a previous occasion I asked the Minister of Agriculture whether he had referred this matter to the Minister of Justice (Mr. Turner). I feel there are some great savings being made through buying this equipment in England and that there must be something wrong in the farm machinery industry in Canada in respect of profits.

• (4:00 p.m.)

The Acting Speaker (Mr. Béchard): Order, please. It being four o'clock the house will now proceed to a consideration of private member's business as listed on today's order paper, namely private bills, notices of motion and public bills.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. With respect to private bills for today, I believe there is an understanding among those who are interested that the first bill on the list, Bill S-16, can be carried on second reading and sent to the appropriate standing committee. That will not take long and could perhaps be done in 15 or 20 minutes. I was wondering whether we could stay on government business for the next half hour or 40 minutes, proceeding a little further with the bill now before us, and then at 20 minutes or quarter to five go to private bills to deal with that bill in respect of which there is an understanding.

Mr. Baldwin: Mr. Speaker, we would be prepared to do this following what I understand will be an interesting intervention by one of the members on this side. We would be prepared to carry on with this bill in the hope that it could be completed.

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

[Mr. Howe.]

PRIVILEGE

MR. LUNDRIGAN—FAILURE TO BE INCLUDED IN TRIP TO SEALING AREA

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to rise on a question of privilege, and I beg your indulgence in permitting me to elaborate in some detail. Everybody in the house is aware of the controversy which surrounds the Canadian seal fishing industry and also that earlier in the week the minister announced his intention to visit the Atlantic area and the Gulf of St. Lawrence to personally view this operation. I think most hon. members are aware that I was personally invited to go on this trip by our caucus chairman, the hon. member for South Shore (Mr. Crouse), as a member of the fisheries committee.

As a result, the radio, television and newspaper media, were notified that this visit was to be made. From the comments received it was apparent that many Canadians were happy there would be somebody present who understood something about the other side of the story.

This trip was scheduled for 2.30 p.m. today. Despite very stringent commitments on my part and on the part of other members of our party in respect of party work, we were ready and arrangements were made so that I could personally make the visit. I was informed this morning at 9.30 that the time of departure was advanced to one o'clock, or an hour and a half earlier, the excuse being that weather conditions would not be suitable for tomorrow's activities.

I accepted this fact and, after, a great deal of confusion amongst members, it was conveniently arranged that I make the trip at one o'clock or a few minutes after in order that I might be with the minister and other members of the committee on this visit to the Atlantic region. Having made a tremendous effort with, as I suggest, a great deal of confusion, I arrived at the airport a few minutes after one o'clock only to find that the plane had departed, even though the planners of the trip—the minister's people—had been informed over an hour earlier that I would be there, and after an announcement had been made at a quarter to one that I was on my way but would be a very few minutes late. The trip began without me.

I hope these remarks will not indicate any childishness on my part in not being able to attend, but I can only draw the conclusion that this was an attempt to prevent any representative of the people who had any

knowledge of these fisheries problems from taking part in the visit.

My question of privilege is that when public facilities are being used for this purpose an opportunity should be given for representation of a cross-section of the Canadian public. Representatives of all the various views should be allowed to be present during such an investigation. This trip has started without any representation from this party and without, I would say, representation, of perhaps 95 per cent of the people who have a realistic outlook in respect of the problem in question.

We will now have a Davis tour of the region with no representation from our party or from those members from the Atlantic region who understand this problem. I consider this to be an unfair deal to members of the fisheries committee and the members of our party. Aside from my own personal disappointment about this trip, I feel there are a good number of people in the Atlantic region who will be disappointed that they will not be represented by anyone from the Atlantic region with an awareness of the significance of the problem and perhaps a little more realistic outlook.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should just like to speak to the question of privilege raised by the hon. member for Gander-Twillingate (Mr. Lundrigan). In doing so let me say it is a matter of great regret that the minister would undertake this trip to the ice fields on this opening day of the seal hunt, neglecting to invite those of us who are interested, and who have raised this matter on numerous occasions in the house. I am thinking of the hon. member for St. John's West (Mr. Carter), myself, and the hon. member for Gander-Twillingate. We cannot all be members of the fisheries committee but, notwithstanding that, there are those of us who have a tremendous interest in this matter because of the existence of this industry in our constituencies and province. We are very concerned about the statement the minister made regarding the future of the sealing fishery and we are very much afraid the minister has only taken those people with him who share his views on the sealing industry. Regrettably none of those who are aware of the real situation and represent the people in this area will be in attendance during this visit.

The Acting Speaker (Mr. Béchard): Is it agreed that the house now revert to the consideration of Bill C-112, in the hope that it may be disposed of in a half hour?

Some hon. Members: Agreed.

FARM MACHINERY SYNDICATES CREDIT ACT

AMENDMENTS TO BROADEN PURPOSES OF LOANS, ENABLE CO-OPERATION ASSOCIATIONS TO OBTAIN LOANS, ETC.

The house resumed consideration of the Motion of Mr. Olson that Bill C-112, to amend the Farm Machinery Sydicates Credit Act, be read the third time.

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I was discussing this bill in respect of an argument I have made several times in this house to the effect that farmers can band together, go to England and buy farm tractors and save a great deal of money. The first instance of this was brought to my attention by the Secretary of the Ontario Federation of Agriculture who maintained that on seven tractors the group saved $20,000. That is a great saving on the purchase of seven tractors. If this saving is available to a few farmers, it should be available to all farmers in Canada. I sincerely hope that the minister has brought this matter to the attention of the commission, so that we will have a complete and thorough investigation of this profit factor in connection with farm machinery.

If what I have been led to believe is true, the farmers in Canada have not been treated fairly in respect of the price of farm machinery. I said a few minutes ago that this is a field in which the Minister of Justice (Mr. Turner) should have some interest. He should make an examination of whether excessive profits are being made by farm machinery companies in this country to the detriment of the agricultural industry.

To sum up, I should like to once again draw the attention of the minister to the fact that the bill in respect of the Farm Improvement Loans Act, which was passed on October 15, 1968, many months ago, was debated in the house at some length and with some vigour by members of the opposition in an attempt to improve the legislation. As a result, we were accused of holding up loans to farmers. It is now March 7, several months later, and we find that one part of that particular bill is not yet operative because the regulations to be issued by the Department of Finance have not yet been published.

I should like to ask the minister to look into this matter and make sure that these regulations are brought into force. The farmers are in the process of planning their year's work and many of them want to buy extra land which has been made available to them through the provisions of this legislation. Because the regulations have not been approved, they cannot take advantage of this act. I sincerely hope the minister will look into this matter which I have brought to his attention.

• (4:10 p.m.)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to speak on this bill, another piece of legislation dealing with farm credit, which is a subject of concern to the whole agricultural industry today. I very much wonder whether this bill will meet the purposes that it was once designed to meet. I remember about three years ago the former minister of agriculture, who is now in the other place, outlined his hopes and aspirations for this piece of legislation. At that time he said this measure would cure all the ills with which farmers were confronted. He said it would allow them to buy machinery jointly, which would lower their costs of production and thereby reduce the cost-price squeeze. About that time, the minister paid a glowing tribute to the legislation at a meeting in Lethbridge with the farmers of Alberta. This was about three years ago.

The legislation was presented to parliament and debated at length in this House of Commons. I said at that time that the legislation would have to do more, it would have to go further, if it were to be applicable to farming conditions and in any way fulfil a small portion of the minister's hopes and aspirations.

It does me some good to see some of the suggestions for which I argued three years ago now included in the bill. At that time farm machinery was covered. I said this was not good enough; the bill should also cover the purchase of land on which buildings could be placed. I said at that time that a building could very well be a component part of a machine or could in a sense be the entire machine. At that time I gave a lengthy definition of what was an agricultural implement and what was an agricultural machine. I asked: Did it have to have moving parts, or not? In any case, Mr. Speaker, I could not at that time convince the minister, after lengthy debate. I am sure the minister recalls the debate.

I argued for the inclusion of buildings and land on which buildings could be placed, but they were not included in the bill. I also argued for two or three other things that should be included in the bill. I should like to bring to the attention of the house those things which I argued should be included in the bill about three years ago, because perhaps three years from now the same minister or a different one will recognize that the application of the act is not nearly as broad as he thought it might be and will look for ways in which it can have broader application.

I say this, Mr. Speaker, because this act has not had very broad application. It has in fact, been very restricted in its application. It has application to family corporations or groups of farmers, sons, daughters, cousins or uncles, who are farming and can conceivably use a machine if they join forces. They can then borrow money under the act. This is the purpose for which the act has primarily been used. I do not hesitate to say that something like 66 per cent of the loans made under the act to date have been made to what one might call family clans comprising of perhaps uncles, sons, daughters, and so on, farming separately. They have banded together to buy machinery under the act.

Mr. Olson: You mean family farmers.

Mr. Horner: I mean families farming entirely for themselves, but the relationship existing for a family farm. The minister is mumbling away to himself, but he does not deny the 66 per cent figure which I mentioned. I think this is very close to being the fact. But if you accept that figure, you must ask yourselves why the application of the act has been narrowed and confined to groups of farmers related by blood, brothers-in-law, uncles, sisters, or what have you.

The minister has done this for one reason. That reason can only be that loans under the act must be jointly and severally held. In other words, the act provides that a maximum amount of $100,000 may be borrowed if seven farmers participate. The act suggests that they do not all have to be farmers, but the majority of them have to be farmers. The old act suggested that they all had to be farmers.

However, Mr. Speaker, that is not the point I am now trying to make. The point is that each person can borrow $15,000, and that is all he can borrow. But seven or more farmers can borrow up to a maximum of $100,000. In

this event, each person who joins the syndicate has to sign a promissory note making himself liable for $100,000. In other words, while his credit is good for only $15,000 as one-seventh of the syndicate, he has to sign a promissory note accepting liability for the total amount of $100,000. So instead of the government getting security for the $100,000, if there are seven people in the syndicate the government gets security for $700,000. Aren't they big, brave, bold lenders? I cannot accept that they are. What is the situation here? A member joining a syndicate, signing up for $100,000 and receiving the benefit of only $15,000 does so only on those occasions when he benefits the clan generally. I use the word "clan" quite generally.

When this bill was first introduced in the house about three years ago I said this was the wrong principle. I said that if the government wanted a wide application of the bill it should allow a person to sign a promissory note for that portion of the money which he was prepared to accept from the syndicate, whether it be one-fifth, one-seventh or one-hundredth. He should have to sign a promissory note for that portion only.

The minister, and the chairman of the Farm Credit Corporation, a man who I know is doing his best to have the act applied in a wide manner, have continually told me that all this is not really necessary, that the real security under the act is the machine itself for which the syndicate borrowed money. Although the machine might deteriorate, they can always pick it up. If there is a default in any way, the machine can always be picked up. Then, the government would have the machine, and I suppose in that case the syndicate would go broke or would in any event forfeit its use of the machine.

We were told that there was really nothing to worry about; farmers could just sign a promissory note for $100,000, and there would never be a foreclosure because the machine itself was part of the security. This is all the more reason for the government accepting the fact that a promissory note held jointly and severally under this act is not necessary. In fact, any wise, prudent financial operator would not sign a note for $100,000. It just is not good business sense to sign a note for $100,000 and receive the benefit of only $15,000. If the minister wants a wide application of this act, I urge him to consider this point.

When the bill was studied in committee it was pointed out that there was one syndicate that had 87 members. Under the bill the 87 members could borrow only $100,000, but each member signed a promissory note for $100,000 without batting an eye. When you have 87 members in a syndicate, you can bet your bottom dollar that even if five or six of them go broke and are unable to meet their liability in respect of the promissory notes, 81 or 82 members will still pick up the tab.

• (4:20 p.m.)

But if you have only seven in a syndicate, and three of them found all of a sudden they had to pay income tax on a lot of money, had to sell their holdings to do so and they did not have much security, you would be left with four people to pick up the $100,000. Then, the trouble would begin. Stringent measures may have to be taken in the years ahead in view of the present government's attitude toward collecting money. However, this is another subject with which I should like to deal at some other time. I do not believe the provisions under this act will be of great use to farmers if the government repeatedly insists that loans must be jointly and severally held. There is no reason for it. If the government really believes that the agricultural industry needs financial assistance and that loans should be made for farm machinery, it is the government's duty to make that money available to everybody, whether or not they are members of a large clan and can make use of it because of the security of the clan.

The minister must be well aware of the fact, because I have repeated it in the house several times, that the Economic Council of Canada stated in its report last fall that the agricultural industry in this country was in severe need of financing and that it was 20 years behind the agricultural industry in the United States. Surely after having read this pointed recommendation on the one way in which our industry can catch up and compete with the United States industry, the minister should make every effort to have this act apply in the widest possible way. He should make it available on an equal basis to every farmer in Canada, not just a few members of a clan or family who are farming close together and who can avail themselves of the security of the family to obtain money advanced under this act.

I would like the minister to study the question seriously. If 66 per cent of the loans under this act are in fact made to family clans, then there is a reason for it. The minister should consider this fact seriously. If

these are the facts, how can this legislation be changed to rectify the situation?

The second point I want to make concerns the Farm Machinery Syndicates Credit Act and farm implements. In the act we see that additional land and buildings have been added. I ask the minister: Why not cattle? Surely, in this highly technological age we have reached a sufficient degree of refinement of definitions in the field of agriculture to realize that cattle are machines which change crude proteins to refined and digestible proteins. This is, in effect, what they do. We have heard that the former minister of agriculture who is now a member of the other place came up with a new breed of cattle which he called the Hays' converter. Why does he call cattle that? Because he suggests in his advertisement that they will convert eight pounds of roughage to four pounds of beef. I would hate to eat the beef, but that has nothing to do with the point I am making. I do not believe his advertisement. It would have to be a highly developed converter to be able to convert eight pounds of roughage to four pounds of beef.

Mr. Baldwin: It would be pretty rough beef.

Mr. Horner: I agree with my colleague, the hon. member for Peace River (Mr. Baldwin), that it would be pretty rough beef, and I would hate to eat it.

I see the Minister of Industry, Trade and Commerce (Mr. Pepin) is back in his seat and I should like to deal with his attitude to the problem. The Hays' converter is an example I gave to prove to the minister that he and his department should give serious consideration to adding to clause 3 paragraph (d) "to purchase feeder cattle". I am not referring to the purchase of grass cattle but rather to the final stage of the livestock industry. I am not saying we should get into the cow-calf operation and raise livestock. I am referring to the final stage of the industry which would consist of buying feeder cattle and converting them to digestible proteins and beef.

If the Minister of Industry, Trade and Commerce had ventured into western Canada lately and watched some of the cattle sales that took place last month and this month, he would realize that this converter factor is related to the fact the cattle are being fed grain. Let him try and buy some of these cattle. Who is buying them? Farmers with surplus grain and damp grain which the Minister of Industry, Trade and Commerce has not sold. Why are they paying such high prices for them? Because they want to convert the damp grain, wheat and feed grains from an unsaleable product, from a crude protein, to a digestible protein. They are using the cattle as machines or as converters, as the minister suggests. I say that in the past ten years it has never been proven, in the highly technological age to which we have advanced that cattle are in fact machines. I am sure that the Minister of Agriculture (Mr. Olson) knows very well what I am speaking about when I refer to conversion. If he wants me to go further into the subject as to whether or not they are machines, let us look at what is ahead.

Animals are now being developed in test tubes in laboratories so that the whole gestation period in the animal's body may become unnecessary. Experiments of this kind are being carried out in scientific laboratories all over the world. Whether we like it or not, this may well happen in the future.

While I do not want to belabour the point, I hope the minister will seriously consider whether the farm machinery syndicates credit legislation can be made applicable on as wide a basis as possible. I know the minister can say there are other ways of providing money to the cattle and livestock industry, and that money can be borrowed under the farm improvement loans legislation. That is the weakest argument I have ever heard, because the Minister of Agriculture knows and the Minister of Industry, Trade and Commerce should know how many cattle it takes to move a thousand bushels of grain and what kind of machinery it takes to move that amount of grain. The initial, capital cost of that machine is not the cheapest thing in the world.

Under the farm improvement loans legislation around $15,000 can be borrowed for the purchase of feeder cattle. This is hardly enough. I believe that if this legislation made $100,000 available it would do some good. The minister says the opposition never offers constructive suggestions. Well, I have put forward two extremely important constructive suggestions as to ways in which this act could be improved and I should like him to give them serious consideration.

• (4:30 p.m.)

The third point I want to mention is of a different nature. I shall not belabour it. It has been discussed before in connection with the Farm Credit Act. I refer to the amendment dealing with loans to Indians. I should have

liked to speak last night in the debate on the problems of our Indian population. However, the amendment in this bill says that the total of outstanding loans which may be made to any one band shall not exceed $100,000. That is what we find printed on the lefthand side of the page; these are words which in essence summarize the paragraph. They are not hard to understand. They are simple and clear. Any grade eight student could interpret them. But the minister tells us it does not mean that at all. He says this applies only if the band is considered to be one syndicate, or one entity. He says there may be several entities within one band.

It appears there may be several syndicates formed in a band, each of which could borrow up to $100,000. But why, then, does the bill refer to the total amount in this way?

Mr. Olson: That is a complete misinterpretation of the act.

Mr. Horner: The minister says it is complete misinterpretation, and I shall not belabour the point. I shall simply say he is not bringing forward very clear legislation. I am willing to bet that if he took that provision to any chief or administrator of an Indian band and asked for an interpretation he would invariably get a reply to the effect that the maximum loan to a band was to be $100,000.

Mr. Olson: That is wrong.

Mr. Horner: The minister is continuing the stubborn attitude he adopted when the Farm Credit Act was passed. He does not want to change this, because if he changed it now he would be admitting he was wrong in the first place. The result is that every time this act goes out to an Indian administrator or supervisor or Indian chief, we shall have to send out an interpretation of this particular clause as well.

There is another point I should like to make. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) told the house last night that he felt ashamed every time he was called upon to give permission to an Indian to borrow something like $4,000 from the Central Mortgage and Housing Corporation. He had to sign before an Indian could borrow this money. I know the minister responsible for Indian affairs is doing his level best. He is concerned about this problem and my heart and hand go out to help him in every way I can.

What is the situation in this legislation? The same minister has to give approval before an Indian band can borrow under these provisions. It can only be done with the approval of the Minister of Indian Affairs and Northern Development. So we have not really gone all that far; we could go a good deal further for the benefit of the Indians.

I am not particularly satisfied with what the minister has told us. I know the minister's explanation by heart. I could probably recite it as well as he could. But it will not be interpreted in the way the minister thinks it ought to be interpreted unless he is there to make his explanation.

Mr. Olson: The officers of the department will be there.

Mr. Horner: Well, that is a wise suggestion. For a few years, perhaps, the officials of the Department of Agriculture will be there, but in later years they may not be present and the intent of the hon. gentleman might not be carried out. Other things could happen. He might be elevated to a more senior post in this government and someone else might have a different interpretation of the amendment.

Mr. Baldwin: What about what is likely to happen at the next election?

Mr. Horner: I do not want to think of such awful possibilities. It is interesting to consider that those who told us last night they were trying to do their best to remove these discriminations were not able to do better in this particular respect.

May I say a word on the subject of farm machinery? Why bring in legislation dealing with farm machinery when we have not yet obtained the results of the Barber Commission inquiry? The reason for making this a one man study was to speed up the process of obtaining a report.

The Acting Speaker (Mr. Richard): Order. The time for consideration of government business has now expired and the house will revert to private members' business, namely, private bills.

PRIVATE BILLS

TRANSCOASTAL LIFE INSURANCE COMPANY

Mr. D. Gordon Blair (Grenville-Carleton) moved the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-16, to incorporate Transcoastal Life Insurance Company.

Private Bills

He said: The purpose of this bill is to incorporate a Canadian life insurance company to take over the existing business in Canada of the Union Mutual Life Insurance Company of Portland, Maine. This company has carried on business in Canada since 1868. In recent years its Canadian business has grown very extensively and it is a corporate decision of the directors and officers of the company that, having regard to the growth of its business, Canadian residents who now hold its policies would be better served by a company domiciled in Canada and governed by a board of directors the majority of whom would be Canadian citizens.

This bill is in the form of a model bill prescribed in the insurance company legislation with one important addition. There is included in it a provision similar to that which was included in a bill enacted by this parliament in 1967 providing for the orderly transfer of ownership in this country from United States owners to Canadian citizens. This clause provides that in the first five years after incorporation at least 25 per cent of the shares of the stock of the company would be made available to Canadian residents and that in the succeeding five years another 24 per cent would be made available, and if the general legislation made it easy I am informed that the company would willingly provide for the transfer of majority control.

It has been the custom in this chamber to provide merely a general introduction to such legislation as this on second reading, it being well understood that when the bill is referred to committee the members of that committee will have an opportunity to examine the officers and promoters of the legislation in detail.

Mr. John Gilbert (Broadview): The sponsor of the bill has indicated that this is an application by a United States corporation to incorporate a Canadian insurance company. As he pointed out, the principal shareholder will be the Union Mutual Company which has operated a branch office in Canada for the last hundred years.

• (4:40 p.m.)

The most significant breakthrough is clause 8 of the bill which, as the sponsor said, will give an opportunity for Canadians in the first five years of the incorporation to acquire a 25 per cent interest and within a ten year period a 49 per cent interest. He also indicated that it may be the desire of the company to have a majority Canadian interest in the future.

[Mr. Blair.]

This is a real breakthrough with regard to the problem of foreign ownership in Canada. As the house knows, many members of our party, particularly the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters), have led a campaign in regard to insurance companies and loan and trust companies the purpose of which was to make sure that there is a Canadian content in such companies. Thus far they had succeeded only with one company. We now have a second company that incorporates in its bill the provision to provide for Canadian ownership.

We would like to congratulate the sponsor of the bill on the acceptance of this principle. Looking across and seeing the Minister of Industry, Trade and Commerce (Mr. Pepin) recalls to my mind the opinions he expressed on the problem of economic nationalism and continentalism. I think he summed them up during a debate on estimates in this way, continentalism if necessary but not necessarily continentalism.

Mr. Pepin: May I correct that. I said that I could be a continentalist if it were in the national interest.

Mr. Gilbert: I am prepared to accept the minister's interpretation. Since he is a most fair and generous minister I should not like to place an interpretation upon his statement that he would think unfair. This underlines the fact that the voice in the wilderness of the past in point of time becomes the accepted opinion of most Canadians. We in the New Democratic party are rather proud that we have advanced the proposition that where there is United States participation in the Canadian economy it should be on a partnership basis, and that Canadian shareholders should be given the opportunity to participate in the activities and ownership of such companies.

I am going to read portions of a letter that was sent to me and to other members of my party regarding the attitude of this particular company. The letter was sent by the vice-president and counsel for the applicant, a gentleman named Douglas Thornsjo, and reads:

> You may recall that our sincere feeling is that all of our Canadian business belongs in a Canadian company, with a Canadian board of directors, and within a reasonable time with widespread Canadian ownership. It is our further feeling that, not only is this the fair or equitable manner by which to do business in Canada, but that in the long run, we will do better with one half or even less

of a Canadian company than we would be able to do as a United States company.

In return, what does the Canadian nation receive through this process? We believe the "bargain" clearly favours Canada because:

1) it establishes the precedent that U.S. citizens are willing to do business in Canada as partners with Canadians and not as financial owners of Canada;

2) it causes an existing U.S. company to withdraw from Canada because, at the end of the first calendar year of Transcoastal's licensed existence, Union Mutual by agreement will withdraw from doing any new business in Canada. In addition, all existing Union Mutual, Canadian business will be serviced (premiums paid through, questions answered by, beneficiary changes effected by, and claims paid by) the new Canadian company;

3) investment dollars now flowing to the United States will be retained in Canada. Indeed, if the Canadian company were entered into the United States, a current probability, U.S. dollars would flow into Canada;

4) Canadian payroll will be substantially increased;

5) the Transcoastal bill helps to establish a precedent of safeguards pertinent to any effort which the government might take to present a bill removing from parliament the burden of handling private member, business oriented bills. In other words, some sentiment exists to the effect that private member bills such as S-16 should not take the time of parliament. The government might well be sympathetic to such sentiment. But it should be made clear, in advance, that any generalized authority to charter companies outside of parliament must contain safeguards for the concept of Canadian ownership. No better technique exists than that of precedent; the precedent of failure of private bills without provision for Canadian ownership and the corelevant precedent of success for at least an occasional bill that does provide for Canadian ownership.

The vice-president set forth our views regarding this very serious problem. We are proud to permit the bill to pass and to be sent to the Standing Committee on Finance, Trade and Economic Affairs for further study.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

The Acting Speaker (Mr. Richard): Order. The hour provided for the consideration of private members' business has now expired. It being five o'clock p.m. this house stands adjourned until Monday next at 2 p.m.

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

HOUSE OF COMMONS

Monday, March 10, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS—PRESENTATION OF FIFTH REPORT

Fifth report of the Standing Committee on Health, Welfare, and Social Affairs in French and in English—Mr. Gaston Isabelle (Hull).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

AGRICULTURE—CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Marcel Lessard (Lac-Saint-Jean) moved that the Seventh Report of the Standing Committee on Agriculture presented to the house on Friday, March 7, 1969, be concurred in.

Motion agreed to.

[*English*]

PUBLIC ACCOUNTS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. A. D. Hales (Wellington) moved that the second report of the Standing Committee on Public Accounts presented to the house on Thursday, March 6, be concurred in.

Motion agreed to.

FISHERIES

STATEMENT BY MINISTER FOLLOWING OBSERVATION OF SEAL HUNT

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I should like to make a statement on the seal hunt, for two reasons: One is to announce that the hunt itself is to be postponed for the remainder of this week because of exceptional conditions on the ice; and the other is to allay certain fears which have been expressed as to the manner in which in recent days the hunt has been carried out in the Gulf of St. Lawrence.

Having spent some time on the ice over the week end and having talked to a number of veterinarians from western Europe, the United States and Canada, I am of the opinion that the seal hunt is being supervised in an effective manner. The Fisheries Department's regulations are being enforced and the suffering of the young seals is being kept to a minimum.

For most of us who were out on the ice over the weekend, the hunt itself was a gruesome sight. The killing process was undoubtedly effective. It was effective because it was carried out with dispatch and by men who had killed young seals before. But I could not help asking myself whether the hunt in the Gulf of St. Lawrence was really necessary in the first place.

Some 6,000 Canadians depend, for at least part of their livelihood, on the seal hunt. However, they are not always the same people since the seals follow the ice and the ice may be west of Les Iles de la Madeleine one year and north of Prince Edward Island the next.

One thing is predictable, however: It is the impressive sight of the great seal herd itself. If we could convert this unique happening into an annual tourist attraction it could also contribute materially to the economy of the Atlantic region. I think we must therefore explore the possibility of the Gulf of St. Lawrence being declared a sanctuary for seals, with the hunt itself being limited to international waters in the north Atlantic off Labrador and Newfoundland.

Ice conditions this year are exceptional. The ice itself is poor in quality and limited in area. Also the use of helicopters has tended to prevent the mother seals from pupping on the ice. There is a danger of many young seals being lost under these conditions, and I have therefore declared a moratorium on the hunt beginning at 6 p.m. tonight and continuing through until 6 a.m. Friday morning.

The situation south of Prince Edward Island, where the main seal herds are located, is of course being kept under review and other protective measures will be announced as required.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I know all members on this side of the house listened with interest to the statement made today by the Minister of Fisheries

(Mr. Davis) with regard to the seal hunt. I am sure all of us welcome his announcement that his personal investigation of this hunt showed there was no cruelty involved. I find it rather difficult however to picture a seal hunt as a tourist attraction, in view of the difficulties involved in getting to the area concerned. I doubt that this could ever become a possibility.

The minister has announced that the seal hunt is to be postponed for the remainder of this week because of exceptional conditions on the ice. I hope the number of days on which the hunt is restricted will be made available to the hunters by an extension of the hunting season. I also note the minister's comments regarding the hunt and the fact that he found it gruesome. Quite frankly, killing, whether it be in a vast outdoor abattoir like the sealhunt or whether it is conducted in a regular abattoir, is not a very pleasant sight. However the method used by the sealers is humane. As the minister stated, he found this to be the case. It is humane in that it stuns the seal.

• (2:10 p.m.)

Since this industry makes an important contribution to the livelihood of some 6,000 people in the Atlantic provinces we on this side of the house hope that the industry will be maintained. The minister has suggested exploring the possibility of declaring the Gulf of St. Lawrence a sanctuary for seals, with the hunt being limited to international waters in the North Atlantic off Labrador and Newfoundland. This may have some merit from a conservation angle. I believe any move along this line should be thoroughly discussed with other countries concerned, in order that we do not find ourselves taking unilateral action to conserve our seal herds while other nations take an unlimited kill.

I welcome some of the minister's statements and I hope he will take my suggestions seriously and discuss them at the next international conference on the law of the sea, which he has indicated from time to time may soon be held.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I attended the hunt on Friday and Saturday last with the minister and I found there were almost more newspaper reporters and inspectors than there were fishermen. I too felt that the extra aircraft activity and the people attending disturbed the seals somewhat.

[Mr. Crouse.]

As far as cruelty is concerned in respect of these animals, I do not believe there was any cruelty or inhumane treatment, if you consider the method in this case. I think it was done as mercifully as could be done and I would be critical of those who have reported otherwise.

I think this industry is important as a means of increasing income for the people in this area, and certainly they are people who could use an increase in income.

Finally I would suggest that any effort to conserve seal herds should be done by agreement with other countries. I do not think it is right, proper or fitting that Canada should attempt to look after an international resource as a result of which our people would suffer reductions to income, if other nations are not willing to go along in this respect.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, once again, we learn that the laws of nature delay the seal hunt. We have even been told that over the weekend more than 2,000 young seals drowned since they cannot swim until they are 10 days old. Let us hope that next season the seal hunt will not enable only some American millionaires to make money, but on the contrary will enable some Canadians to earn a living for that period in that area of Canada.

BROADCASTING

AGENCY TO FACILITATE AND EXTEND EDUCATIONAL BROADCASTING

Hon. Gérard Pelletier (Secretary of State) asks for leave to introduce Bill C-179 entitled "An Act to establish the Canadian Educational Broadcasting Agency and to make certain consequential amendments to the Broadcasting Act".

(Motion agreed to, bill read the first time and ordered to be printed.)

[*English*]

QUESTIONS ON THE ORDER PAPER

DIPLOMATIC RELATIONS WITH GABON

Question No. 788—**Mr. Matte:**

1. Has the government resumed diplomatic relations with Gabon?

2. Is it government policy that a country cannot issue direct invitations to the Government of Quebec?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Following the events associated with the meeting of the Conference of Ministers of Education of Francophone states held in Libreville in 1968, the government of Canada decided to defer the presentation of credentials by its ambassador-designate to Gabon. It should thus be noted that the government of Canada did not break diplomatic relations with Gabon and that, in these circumstances, the question of resumption of diplomatic relations does not arise. The matter of their normalization remains under review.

2. In conformity with universally recognized principles of international law and practice, any foreign state wishing to have dealings with a constituent part of a federation has a formal obligation to consult the government of the federation. These considerations apply fully to invitations addressed by foreign governments or intergovernmental bodies to the governments of Canadian provinces in respect of intergovernmental conferences, meetings or visits, unless there had been prior agreement between the Canadian government and the host country. The policy of the government in this regard was set out in the White Papers entitled "Federalism and International Relations" and "Federalism and International Conferences on Education".

[*English*]

SENTENCES UNDER HABITUAL CRIMINALS PROVISION

Question No. 1,057—**Mr. Orlikow:**

1. How many persons have been sentenced under the habitual criminal sections of the Criminal Code and sentenced to preventive detention in each province in each of the years 1960 to 1968?

2. How many of these people are still in prison after (a) ten years (b) five years?

3. How many of these people have (a) been paroled (b) violated their parole (c) returned to prison (d) received paroles in each of the years 1960 to 1968?

4. Do the inmates serve their original sentence and then serve x-number of years before parole is considered?

5. What special programs are made available to these inmates and in what prisons are these programs made available in British Columbia?

6. How much time must be spent on these programs before parole is considered for these prisoners?

Hon. G. J. McIlraith (Solicitor General): 1. 139 have been sentenced since the habitual Criminal Sections of the Criminal Code were passed in 1947, 84 of whom have been sentenced in years 1960-1968 as under:

Prov.	1960	1961	1962	1963	1964	1965	1966	1967	1968	Total
Nfld.	—	—	—	—	—	—	—	—	—	—
P.E.I.	—	—	—	—	—	—	—	—	—	—
N.S.	2	—	—	—	—	—	—	—	—	2
N.B.	—	—	—	—	—	—	—	—	—	—
Que.	1	1	1	1	—	—	1	1	2	8
Ont.	1	—	—	—	1	—	—	—	—	2
Man.	1	—	—	—	—	1	—	1	—	3
Sask.	—	—	—	—	—	—	—	—	—	—
Alta.	—	1	1	—	—	5	1	4	—	12
B.C.	1	1	4	13	18	11	3	5	1	57
Total	6	3	6	14	19	17	5	11	3	84

2. (a) 4, one of whom has been transferred to a mental hospital; (b) 6.

3. (a) 79; (b) 24; (c) 24 (nine have been paroled, two of whom violated parole a second time); (d) 1960, 5; 1961, 8; 1962, 7; 1963, 2; 1964, 1; 1965, 3; 1966, 4; 1967, 19; 1968, 18. In addition, nine were re-paroled during this period: 1960, 0; 1961, 1; 1962, 1; 1963, 0; 1964, 0; 1965, 1; 1966, 1; 1967, 0; 1968, 5.

4. No; these cases are reviewed at least once in every year by the National Parole Board pursuant to the provision of Section 24(5) of the Parole Act and Section 666 of the Criminal Code.

5. Individual and group therapy is carried out at the New Westminster Penitentiary and Matsqui Institution in British Columbia. This is in addition to the regular programme which includes educational, vocational, religious, recreational, social and trades training.

6. Answered by 4.

Questions

AGES OF PENITENTIARIES INMATES

Question No. 1,059—**Mr. Beaudoin:**

1. How many prisoners in Canadian penitentiaries were (a) under 12 years of age (b) between the ages of 13 and 20 inclusive in each of the past five years?

2. What steps have been taken by the Department of Justice to reduce the number of minors confined to penitentiaries?

Hon. G. J. McIlraith (Solicitor General): 1. (a) None; (b).

	Age at Time Shown							
	13	14	15	16	17	18	19	20	TOTAL
December 1968	0	0	2	16	37	145	236	297	733
December 1967	0	0	4	15	62	127	241	339	788

Note: It is regretted that the statistical compilation system in force previous to 1967 did not provide the information as requested.

2. The sentencing of minors to penitentiaries is the prerogative of the courts. Where inmates under 16 years of age are admitted to penitentiary, the Warden, in accordance with Section 21 of the Penitentiary Act, endeavours to obtain the co-operation of provincial authorities to transfer the inmate to a suitable provincial institution as soon as possible after his admission. Four medium security institutions have been constructed across Canada where young offenders are offered special training programmes which should assist in their rehabilitation as law-abiding citizens and thus reduce the number confined in the penitentiaries.

ACADIANS IN LOUISIANA

Question No. 1,112—**Mr. Robinson:**

1. Is the federal government contemplating any support to the 800,000 Acadians in the State of Louisiana who are endeavouring to revive the French language and French heritage in that State and, if not, what is the federal government's policy toward the promotion of French language and French culture in countries outside Canada with a significant French speaking population?

2. Has the Council for the Development of French in Louisiana asked the federal government for support in its project and, if so, what support is contemplated by the federal government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. and 2. In response to an invitation from the Governor of Louisiana, the Hon. John J. McKeithen, Senator Hédard J. Robichaud and Mr. Jules Léger, Under Secretary of State, represented the Prime Minister at the International Acadian Festival held in Louisiana in December 1968. Although no request for assistance has been received by the Government of Canada from the Council for the Development of French in Louisiana, Canada's position in this regard has already been outlined by Senator Robichaud. Speaking in Baton Rouge on December 3, 1968, of the endeavours being made to preserve and develop the French language and culture in Louisiana he said, in part: "the task that you have embarked upon—and I must stress the point—is your affair and the techniques you adopt will be those which in your best judgment will be the most appropriate and effective . . . I feel sure Canadians will be ready to share their experience with you in such worthy efforts . . . We wish you well in your endeavours, which we will watch with interest and understanding". If a request for assistance were received it would be given sympathetic study by the government. In such matters Canada would of course insure that normal diplomatic practice was observed.

CHEMICAL FERTILIZER PRICES

Question No. 1,168—**Mr. Beaudoin:**

What were the prices of various categories of chemical fertilizers in each of the provinces in 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, respectively?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The fertilizer industry in Canada produces a very wide range of chemical fertilizers and mixtures and the Departments of Industry and of Trade and Commerce are not aware of any attempt to publish fertilizer prices in Canada on a national or provincial basis. This information, therefore, is not readily available.

Pricing of fertilizers in some detail is complicated to the extent that prices are not always province-wide and can vary by region, locality and season. Prices also will depend upon formulae, quantity ordered, credit terms and whether sales are in packaged or in bulk form as well as upon a variety of other factors.

[*English*]

PICTURES IN "INDIAN NEWS"

Question No. 1,225—**Mr. Howard (Skeena):**

With respect to the persons shown in the pictures on pages six and seven of Volume Eleven, Number Three, of the Indian News dated October 1968, how many were employed by the Indian Affairs Branch in (a) permanent positions (b) casual or part time positions (c) under contract at (i) the time the pictures were taken (ii) the time of publication of the said issue of the Indian News, and (d) at the present time?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

	When picture was taken	At time of Publication	As of Feb. 3, 1969
(a) Permanent	9	8	8
(b) Casual or Part time	2	2	2
(c) Contract	4	4	3

Included in this issue of the Indian News were 10 Indian persons who were receiving in-service training in Ottawa when the picture was taken. At the time of publication 5 were still receiving training. None are receiving in-service training at the present time.

ST. PIERRE AND MIQUELON—ZONE NEGOTIATIONS

Question No. 1,233—**Mr. Fortin:**

1. What is the current stage of negotiations between France and Canada concerning the 12 mile zone with respect to St. Pierre and Miquelon Islands?

2. What are the particulars of dispute between the two countries?

3. What are the respective positions of the two countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. It is understood that this question refers to the negotiations between Canada and France concerning their respective areas of jurisdiction over the mineral resources of the continental shelf south of Newfoundland in the region of the islands of St. Pierre and Miquelon. These negotiations have not yet been concluded.

2. The particulars of the negotiations relate to the demarcation of their respective areas of jurisdiction over the continental shelf.

3. Since the negotiations are confidential it would not be appropriate at this time to comment on the respective positions of the two countries.

RAW SEWAGE INTO BOW RIVER

Question No. 1,333—**Mr. Mahoney:**

1. Is raw sewage being permitted to escape into the Bow River from the Banff Municipal sewage system?

2. If so, does the government have any plans to rectify the situation?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. Yes. A sewage treatment plant for the Townsite of Banff is planned for the near future.

ELIMINATION OF LEVEL CROSSINGS

Question No. 1,336—**Mr. Robinson:**

1. What is the government program to eliminate level railway crossings in built up areas?

2. How many level crossings are there in Metropolitan Toronto on the government program and what is the proposed date for the removal of each of them?

3. What is the estimated cost for each of the level crossings presently on the government program that are to be removed?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: 1. The program for elimination of level railway crossings in built-up areas is subject to the number of applications received from municipal or provincial road authorities. During the past five years the Canadian Transport Commission and the former Board of Transport Commissioners approved the construction of an average of 32 grade separations per year, approximately $\frac{2}{3}$ of which were in built-up areas, which would eliminate existing level crossings. During the same period approval was given for the construction of an average of seven road diversions per year, approximately $\frac{1}{3}$ of which were in built-up areas.

2. Within the boundaries of that area coming within the jurisdiction of the Planning Board of the Metropolitan of Toronto, the

Questions

Railway Transport Committee of the Commission had under consideration nine applications for construction of grade separations; five were approved during 1968 and one has subsequently been approved in 1969; the remaining three are under active investigation.

The time of completion of these projects depends on the fiscal planning of the road authority and on the time it takes the authority to complete the design and call for tenders, and the contractor to complete the construction.

3. The estimated cost of the approved grade separations in the Metropolitan area is as follows: Keele Street, $784,800; Sheppard Ave. W., $595,214; West Mall Extension, $1,095,000; Midland Avenue, $1,250,000; Cummer Avenue, $701,721; Keele Street, $573,950.

SUBSIDY TO WESTERN GRAIN PRODUCERS

Question No. 1,359—**Mr. Lambert (Bellechasse):**

Does the government pay any subsidy to grain producers in Western provinces and, if so (a) on what basis is this subsidy calculated (b) what amounts were paid for the years 1966 and 1967?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes. (a) Subsidies are paid as follows: (i) Under the Temporary Wheat Reserves Act the government pays the storage and interest costs on Canadian Wheat Board stocks of wheat in commercial storage in excess of 178 million bushels basic stocks at the commencement of the crop year; (ii) Under the Prairie Grain Advance Payments Act, the government pays the interest on advances made to producers on threshed wheat, oats and barley stored on the farm, within the area of the Canadian Wheat Board's jurisdiction; (iii) Under the Interim Price Guarantee policy, the government undertook to pay the difference between the Canadian Wheat Board's selling price and the International Grains Arrangement minimums for the various grades of Canadian wheat on all sales made below the minimums in the eleven month period from August 1, 1967 when the pricing provisions of the International Wheat Agreement expired and the implementation of the International Grains Arrangement on July 1, 1968.

(b)

Fiscal Year	Temporary Wheat Reserves Act	Prairie Grain Advance Payments Act	Interim Price Guarantee
1966-67	29,838,317	583,325	—
1967-68	31,418,119	743,459	2,649,236

[*English*]

OTTAWA—RENTAL OF SPACE IN CENTENNIAL TOWER

Question No. 1,366—**Mr. Schreyer:**

1. Has the Government of Canada leased any space in the Centennial Tower Building in the City of Ottawa?

2. If so (a) what amount of space has been leased per floor and, what is the lease price (b) what is the period of the lease (c) as of what date have the leased premises actually been put to use by the Government of Canada?

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. (a)	No. of sq. ft. per floor	Total rental per annum	Total No. of sq. ft.
Floors No. 8–15 inclusive	23,785	$713,550.00	190,280
Floors No. 3–7 inclusive	23,857	447,318.75	119,285
Floor No. 2 (partial)	10,948	41,055.00	10,948
Ground Floor (partial)	4,374	21,870.00	4,374
Basement (habitable storage)	6,428	12,856.00	6,428
Basement (dead storage)	27,850	13,925.00	27,850

(b) Lease Number 1: Covering floors 8–15 inclusive, plus 6,428 square feet of habitable storage, plus 24,650 square feet of dead storage—term July 7, 1965 to July 31, 1975. Lease Number 2: Covering floors 5–7 inclusive, plus 1,000 square feet of dead storage—term August 1, 1965 to July 31, 1972. Lease Number 3: Covering 4th floor, part of 3rd floor, part of ground floor, plus 2,200 square feet of dead storage—term September 10, 1965 to September 30, 1975. Lease Number 4: Covering part of 2nd floor and part of 3rd floor—term December 13, 1965 to July 31, 1970.

(c) Lease Number 1, July 7, 1965; Lease Number 2, August 1, 1965; Lease Number 3, September 10, 1965; Lease Number 4, December 13, 1965.

DIVERSION OF AIRCRAFT TO CUBA

Question No. 1,393—**Mr. Rodrigue:**

Were any Canadian aircraft, owned by Air Canada or Canadian Pacific Air Lines, diverted to Cuba in 1967 or 1968 and, if so (a) how many and on what dates (b) are special measures being taken with regard to this problem?

Hon. Paul Hellyer (Minister of Transport): No Air Canada or Canadian Pacific Air Lines aircraft diverted to Cuba in 1967 or 1968. (a) Nil; (b) All reasonable precaution is exercised.

PROGRAM "SI JEUNESSE POUVAIT"

Question No. 1,397—**Mr. Rodrigue:**

What did it cost to produce the program "SI JEUNESSE POUVAIT", broadcast on C.B.C. T.V. February 8 and 15, 1969?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. that the total cost of each of these two programs was approximately $4,000.

CANADIAN STANDARDS COUNCIL

Question No. 1,401—**Mr. Fortin:**

1. Does the government intend to establish a Canadian Standards Council and, if so (a) on what date (b) what will be its functions?

2. What part does Canada play in the International Organization for Standardization?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Trade and Commerce): 1. Yes. (a) Following the completion of consultations with standards organizations, industry, trade and consumer associations, legislation will be presented to parliament for approval; (b) See answer to question 635 on the Standards Council of Canada of November 1, 1968, tabled on January 15, 1969.

2. Of the 127 technical committees established by the International Organization for Standardization, Canada participates in 71, and maintains observer status in 26.

[*English*]

TÉMISCAMINGUE, QUE., MINES SUBSIDIES

Question No. 1,407—**Mr. Caouette:**

1. What amount of money has been paid out in subsidies of all kinds to mines operating in the federal constituency of Témiscamingue in the last five years?

2. What amount did each of these mines receive during this period?

3. On what grounds were these subsidies granted?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): 1. $1,956,408.

2. Peel Elder Limited, $320,832; Wasamac Mines Limited, $1,635,576.

3. Financial assistance to gold mines has been provided under the Emergency Gold Mining Assistance Act to extend the operating life of the mines and thus permit the dependent communities to adjust gradually to diminishing economic support.

USE OF BOTH OFFICIAL LANGUAGES ON LABELS

Question No. 1,424—**Mr. Fortin:**

1. With what commercial associations were consultations held concerning the use of both official languages on labels?

2. What is the state of those consultations?

3. Will the regulations be amended so as to require labels to be bilingual, and, if so, when?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. Informal consultations have been held with the Grocery Products Manufacturers of Canada, the Canadian Food Processors Association, the Canadian Paint Manufacturers Association and the Canadian Manufacturers of Chemical Specialties Association.

2. These consultations are continuing.

3. No decision has been reached on the issuance of regulations to require bilingual labels.

Questions

FRONTENAC, QUE., OIL DRILLING

Question No. 1,441—**Mr. Dumont:**

1. Was a permit granted to O-Katta Ltd. (Company) for oil drilling in Inverness Township, constituency of Frontenac?

2. If so, on what date was the permit granted?

3. Has the company published a report of its findings?

4. Do other companies hold permits for drilling in the constituency of Frontenac?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): 1. No federal permits have ever been issued for oil drilling in the constituency of Frontenac, Ontario.

2. Not applicable.

3. Not applicable.

4. No.

REPAYMENT OF GUARANTEED LOAN TO EXPO 67

Question No. 1,442—**Mr. Hales:**

1. Was the 35 million dollar loan owed by the Expo 67 Corporation to five chartered banks and guaranteed by the Dominion of Canada and the Province of Quebec, pursuant to the provision of Section 12 of the Canadian Corporation for the 1967 World Exhibition Act, repaid in equal parts by the two governments?

2. If so, on what date did the federal government pay its share?

3. On what date did the Quebec Government pay its share?

4. Was the loan paid in cash?

Hon. E. J. Benson (Minister of Finance): 1. Yes.

2 and 3. July 3, 1968.

4. Yes.

R.C.M.P. CHAUFFEURS

Question No. 1,453—**Mr. Robinson:**

1. How many R.C.M.P. personnel are employed as chauffeurs, who do they chauffeur, where is each located and how many automobiles are used for this service?

2. Do R.C.M.P. chauffeurs have any other specific duties and, if so, what are they and what are the requirements of R.C.M.P. personnel to provide this service?

3. How many R.C.M.P. personnel are engaged in purely ceremonial matters in their training and employment?

Hon. G. J. McIlraith (Solicitor General): 1. The R.C.M. Police do not employ personnel exclusively as chauffeurs. There are 47 persons designated as civilian member chauffeurs who are employed on a variety of duties at the locations shown. None are assigned to service any specific individual, and no automobiles are assigned to designated civilian member chauffeurs. Where applicable, the vehicles are pooled and utilized when required. "HQ" Division, Ottawa, Ontario, 9; 'A" Division, Ottawa, Ontario, 5; "B" Division, St. John's, Newfoundland, 1; "C" Division, Montreal, Quebec, 2; "D" Division, Winnipeg, Manitoba, 2; "E" Division, Victoria, British Columbia, 2; "E" Division, Vancouver, British Columbia, 2; "F" Division, Regina, Saskatchewan, 1; "DEPOT" Division, (Training), Regina, Sask., 5; "H" Division, Halifax, Nova Scotia, 3; "J" Division, Fredericton, New Brunswick, 1; "K" Division, Edmonton, Alberta, 5; "N" Division, (Training), Ottawa, Ontario, 4; "O" Division, Toronto, Ontario, 2; "P" Division, (Training), Mynarski Park Alberta, 3.

2. Yes (a) Prisoner van drivers. A responsibility under terms of provincial policing agreements; (b) Transporting security material, mail and exhibits; (c) Transporting personnel on duty; (d) Other support duties when required.

3. R.C.M. Police Band, 41 personnel; R.C.M. Police Musical Ride, 51 personnel; Total, 92 personnel.

LAMB IMPORTS

Question No. 1,458—**Mr. McQuaid:**

1. For the period January 1, 1968 to December 31, 1968, how many pounds of lamb were imported into Canada from (a) New Zealand, and (b) Australia?

2. What was the average price per pound of lamb to the Canadian importer?

3. How many pounds of this imported lamb were shipped into the Province of Prince Edward Island during the above period?

4. What was the average price paid to the Canadian farmer during the above period for (a) live lamb (b) dressed lamb?

5. What were the average prices paid to the farmers of Prince Edward Island?

Hon. Jean-Luc Pépin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. Number of pounds of lamb imported into Canada for the period January 1, 1968 to December 31, 1968 from: (a) New Zealand, 24,920,300 lbs.; (b) Australia, 8,444,600 lbs.

2. The average price per pound of lamb imported during 1968, f.o.b. point of consignment in the foreign country of export, exclusive of freight, insurance and other charges was: New Zealand, $0.24; Australia, $0.31.

3. Statistics indicate that no imports of lamb were cleared through customs ports in Prince Edward Island during the year 1968.

4 and 5. A monthly DBS mail questionnaire survey of farmers across Canada indicated that the weighted average price of live lambs for the country as a whole amounted to $22.45 per cwt. for 1968. This estimate is based on an average monthly return of about 380 reports. For Prince Edward Island, the average for live lambs was about $20.70 per cwt. in 1968. This price was based on an average of about 5 reports per month. No information is available regarding farmers' average dressed prices.

YARMOUTH, N.S.—LANDING STAGE FOR YACHTS

Question No. 1,460—**Mr. Comeau:**

1. In any improvements that may be contemplated to the waterfront or harbour facilities at Yarmouth, N.S., has provision been made for a landing stage for use by yachts and other small craft and, if not, for what reason?

2. If such provision has been made, has consideration been given to installing such facilities along the seawall adjacent to Water Street or some other equally convenient location?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. No consideration is being given to providing a landing stage for yachts and small craft at Yarmouth, N.S. at the present time, owing to the congestion in the harbour caused by the ferries and fishing fleet.

2. Not applicable.

[*English*]

INDIAN AFFAIRS PUBLIC RELATIONS CONTRACTS

Question No. 1,467—**Mr. Howard (Skeena):**

Since July 1, 1968, has any money been paid by the Department of Indian Affairs and Northern Development to any public relations companies and, if so, what is the name and address of each such company and the amounts of money so paid?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Eugene Steiner Public Relations Ltd., 1330 - 8th Street, S.W., Calgary 3, Alberta, $5,813.51; Berger, Tisdall, Clark and Lesley Ltd., Box 61, Toronto-Dominion Centre, Toronto, Ontario, $2,275; Crockett Writers, Public Relations Consultants, 295 Kensington Street, Winnipeg, Manitoba, $1,015; Jacques Guay et associés inc., Conseillers en relations publiques, Suite 440, Édifice Dominion Square, 1010 ouest, Sainte-Catherine, Montréal 2, Québec, $2,410; International Surveys Limited, 550 Sherbrooke St., West, Montréal 2, Québec, $375; Williams and Wilson Ltd., Public Relations Counsel and Services, 1161 Melville Street, Vancouver 6, B.C., $15,208.31; Desroches, Jasmin et associés inc., Conseillers en relations publiques, 640, rue Cathcart, Montreal 2, Quebec, $1,515.30.

NATIONAL HARBOURS BOARD PERSONNEL

Question No. 1,476—**Mr. Skoberg:**

1. Who are the administrative members and staff of the National Harbours Board?

2. What position did each of them hold prior to being appointed to the National Harbours Board?

Hon. Paul Hellyer (Minister of Transport): The National Harbours Board advises as follows: 1. (1) Mr. H. A. Mann, Chairman; (2) Mr. L. R. Talbot, Eng., Vice-Chairman; (3) Mr. E. J. Alton, Member; (4) Mr. J. E. Lloyd, C.A., Member.

2. (1) Executive Manager, Maritimes Transportation Commission; (2) President, Rene Talbot Ltd., Quebec; (3) Executive, Buckersfields Ltd., Vancouver; (4) Practicing Chartered Accountant, Halifax.

TROIS-RIVIERES—AIR CANADA SERVICE

Question No. 1,482—**Mr. Fortin:**

1. Does Air Canada intend to discontinue its service to the airport at Trois-Rivières?

2. If so (a) for what reasons (b) has a study been made of the subject (c) will the results of the study be made known to the general public or interested parties (d) will the service presently being provided to Trois-Rivières be continued by other companies?

Hon. Paul Hellyer (Minister of Transport): The Management of Air Canada advises as follows: 1. and 2. Traffic levels and service requirements at all points on the Air Canada system are kept under constant review so that appropriate changes in the nature and type of service may be made as required, old services discontinued and new services initiated. Initiation or abandonment of service requires application to and authorization from the Canadian Transport Commission which has the discretion to decide what procedures are followed with applications and what the requirements are for public service. It is not the practice of Air Canada to announce in advance plans for or the nature of applications

to the Commission involving changes in licensing and services under the Aeronautics Act.

*ASTHMA—USE OF AEROSOL INHALERS

Question No. 1,487—**Mr. Dinsdale:**

1. Are aerosol inhalers for the treatment of asthma on sale over the counter in drug stores in Canada?

2. Are these inhalers considered dangerous by the Food and Drug Directorate when improperly used?

3. Have any sudden deaths among asthmatic patients been recorded which might be attributable to the misuse of aerosol inhalers?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): 1. There are a number of drug products in aerosol containers for the treatment of asthma that are for sale over-the-counter in Canada.

2. These pharmaceutical products are potentially dangerous as are most drugs if used more frequently and in greater quantities than specified in directions for use on the label.

3. The Poison Control Unit, Food and Drug Directorate, Department of National Health and Welfare, has no record of sudden deaths among asthmatic patients in Canada attributable to the misuse of aerosol inhalers.

[*English*]

INDIAN AFFAIRS PUBLIC RELATIONS CONTRACTS

Question No. 1,491—**Mr. Orlikow:**

1. Has the Department of Indian Affairs and Northern Development contracted with four public relations firms, named as follows, to do work for the Department (a) Williams and Wilson Limited in Vancouver, B.C. (b) Crockett Writers Company, Winnipeg, Manitoba (c) Berger, Tisdale, Lesly, Toronto, Ontario (d) Jacques Gay Incorporated, Quebec, P.Q.?

2. If so, what work will these public relations firms be performing for the Department?

3. What annual payments will be made to each of these companies?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. These public relations firms have been contracted to carry out publicity and information projects as required in their respective area of operation. They are to report on radio and television broadcasts relating to the Indian people and the Department, to initiate reports from Indian communities having a bearing on programs operated by Band Councils or the Department, to encourage reporters to provide coverage on matters affecting the Indian community, to organize new information programs as required, to assist field staff in the day to day needs of the Department as it relates to information services and to liaise with editors and all news media on matters affecting the Department.

3. (a) Williams and Wilson Limited has an annual contract for $25,000; (b) Crockett Writers Company is currently under a four-month contract for $1,600 with out-of-pocket expenses not to exceed $700; (c) Berger, Tisdale, Clark and Lesley Ltd. is currently under a four-month contract for $4,000 with out-of-pocket expenses not to exceed $990; (d) Jacques Guay and Associates is currently under a six-month contract for $2,700 with out-of-pocket expenses not to exceed $1,800.

CANADIAN ARMED FORCES—FRENCH LANGUAGE INSTRUCTORS

Question No. 1,494—**Mr. Crouse:**

1. How many French language instructors have been engaged in France by Canada's Chief of the Defence Staff?

2. What is the amount of salary paid to these individual instructors by the Canadian government?

3. What are the names of the Canadian Armed Forces bases to which these instructors are allocated?

4. Are the Canadian Forces being taught from French military handbooks or Canadian military handbooks?

5. What security check is made on all instructors prior to their employment on Canadian bases?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. None.

2 and 3. Not applicable.

4. Where training in the Canadian Forces relates to practices and procedures unique to the Canadian Forces, handbooks for such training are of strictly Canadian origin, and no foreign military handbooks, French or otherwise, are utilized for this purpose. However, when equipment in service with the Canadian Forces is of French make, such as the Falcon passenger aircraft currently operated by Air Transport Command, then the manufacturer's handbooks, relating to the operation and maintenance of this equipment, are utilized for that specific training purpose.

5. Not applicable.

OIL LOADING AT IRVING DOCK

Question No. 1,505—**Mr. Dumont:**

Has the National Harbours Board taken appropriate measures to prevent a major accident during the unloading or loading of oil at the Irving dock at Sillery?

Hon. Paul Hellyer (Minister of Transport): The National Harbours Board advises as follows: The Irving dock at Sillery is not under the administration of the National Harbours Board, but all vessels in the Harbour of Quebec are subject to NHB By-law A-1 which in part regulates the handling of goods to or from a vessel in the harbour in so far as the handling of goods that are of a nature which may present a hazard to navigation.

REFUSAL TO FILE INCOME RETURNS

Question No. 1,524—**Mr. Beaudoin:**

1. How many Canadians have been directly asked to file an income tax return and, of these, how many refused to file such returns?

2. How many persons in the Province of Quebec have been directly asked to file an income tax return and, how many refused to file such returns?

3 Does the federal government intend to take the necessary steps to ensure that such people file their income tax returns?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. Demands to file 1967 income tax returns were forwarded to 46,278 residents of Canada. 7,117 were prosecuted for failure to comply with such demands.

2. Demands to file 1967 income tax returns were forwarded to 13,401 residents of Quebec. 2,990 were prosecuted for failure to comply with such demands.

3. Yes.

AIR CANADA EXECUTIVE OFFICERS

Question No. 1,526—**Mr. Coates:**

1. What is the salary of the Chairman of the Board of Air Canada, and on what date was that salary determined?

2. What is the salary of the President of Air Canada, and on what date was that salary determined?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. and 2. It has not been considered in the best interest of Air Canada to disclose data on employees' earnings, other than that which is readily available through the Dominion Bureau of Statistics.

POTENTIAL TIRE DEFECTS

Question No. 1,530—**Mr. Mather:**

Are tire manufacturers required by law to notify customers in Canada of potential tire defects?

Hon. Paul Hellyer (Minister of Transport): No.

REMISSION OF BUILDING MATERIALS TAX

Question No. 1,541—**Mr. Paproski:**

1. Have any payments of the 11% sales tax on building materials been remitted by order in council or any other means?

2. If so, how many remissions of the tax have been allowed since October 22, 1968 and what is the total amount of such remissions?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. Yes.

2. Since October 22, 1968, there has been one remission of sales tax on building materials in the amount of $51,300.51.

*PARASITOLOGY TESTS ON ASIAN AND AFRICAN EMIGRANTS

Question No. 1,552—**Mr. Ryan:**

Is the government considering the abolition of parasitology tests upon the persons of Asian and African applicants who seek to emigrate to Canada?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): The routine requirement for a report of stool examination from persons undergoing medical examination for Canadian immigration purposes in all countries where parasitic infections of the gastrointestinal tract are common is currently under review. An early decision is expected.

[*English*]

MOBILE COMMAND RESERVE

Question No. 1,553—**Mr. Robinson:**

1. What is the role of the mobile command reserve?

2. What is the state of operational readiness of the mobile reserve?

3. What are the names of the units, their strengths and estimated operational efficiency of the mobile command reserve?

Hon. Léo Cadieux (Minister of National Defence): 1, 2 and 3. Attention is directed to *Hansard* dated 13 November 1968, page 2683, and the Minutes of Proceedings and Evidence No. 3, dated 12 March 1968, of the Standing Committee on National Defence dealing with the Reserve components of the Canadian Forces.

Questions

PILOTS IN CANADIAN FORCES

Question No. 1,554—**Mr. Robinson:**

1. Is it the government's intention to continue to pay pilots on the cessation of hostilities in Vietnam?

2. Is it government policy to give extra pay to pilots who are not on flying duty?

3. How many pilots have been released from the Canadian Forces during each of the years 1960-68 inclusive, and, how many of them have joined United States airlines?

4. Is the government contemplating any policy whereby pilots will contract with the Canadian Forces for a period of time and/or be available for pilot duties with Canadian airlines?

Hon. Léo Cadieux (Minister of National Defence): 1. Hostilities in Viet Nam have nothing to do with the pay of pilots in the Canadian Forces.

2. All pilots up to, and including, the rank of Colonel are entitled to pilots' pay because they are considered to be under continuous liability to fly. Pilots who are permanently grounded for medical or other reasons, and who remain in the Canadian Forces, do not receive pilots' pay but are paid the same salary as general service officers of similar rank.

3. Release information on pilots in the sea element is not available prior to 1965 and no release information is available on land element pilots as their releases are identified by their Corps affiliation. 1960, 182; 1961, 193; 1962, 136; 1963, 196; 1964, 546; 1965, 304; 1966, 336; 1967, 231; 1968, 171. No information is held on the number of these pilots who have joined United States, or any other airlines.

4. No.

PROTECTION OF MIGRATORY GAME BIRDS

Question No. 1,556—**Mr. Ritchie:**

1. Has the Minister of Indian Affairs and Northern Development received any reports that are widespread in Western Canada that migratory game birds are not being protected in their winter feeding grounds such as Mexico resulting in depletion of our game birds?

2. What action does the Minister propose to take if these reports are substantiated?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The Minister has not received any official reports of widespread or indiscriminate shooting of migratory game birds in Mexico. The Department is aware of the current rumour in Western Canada. Our information is that most reports of excessive shooting can be attributed to a limited number of non-Mexican "Sportsmen". Increased liaison between Mexican authorities and the Government of the United States has resulted in the apprehension of these "Sportsmen" when they have returned to the United States.

2. There is at present no treaty between Canada and Mexico relating to the protection of migratory birds. We have therefore informed appropriate officials in the United States government of the rumours, because of their treaty with Mexico.

FAR EASTERN FOREIGN SERVICE OFFICERS

Question No. 1,561—**Mr. Anderson:**

What are the names of the Foreign Service Officers of FSO 2 rank and above employed in the Far Eastern Division of External Affairs and how many days leave credit does each have in each of the following categories (a) home leave (b) annual leave (c) overtime (d) sick leave?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Foreign Service Officers Grade 2 and above listed hereunder are presently employed in the Far Eastern Division of the Department of External Affairs and their leave credits are as follows:

	(a) Home leave	(b)	(c) Overtime (Hours available as emergency sick leave)	(d) Sick leave
Buchan, R. J.	NIL	8 days	NIL	53¼ days
Chistoff, O. A.	14 days	31½ days	NIL	182½ days
Delworth, W. T.	NIL	18½ days	19	146 days
Fraser, J. M.	NIL	9½ days	NIL	187½ days
Harrington, J. M.	20 days	51 days	NIL	257¾ days
Kristianson, G. L.	NIL	11½ days	NIL	16 days
Seaborn, J. B.	NIL	30 days	101	313¾ days

MR. WILLIAM HAMILTON—H.M.C. DOCKYARD

Question No. 1,566—**Mr. Anderson:**

1. Was Mr. William Hamilton, a former employee of HMC Dockyard in Esquimalt, British Columbia discharged from the Public Service and, if so, for what reason?

2. Did Mr. Hamilton have an opportunity of presenting his grievance and, if not, for what reasons?

3. May an employee who has been fired from HMC Dockyard appeal his dismissal and, if not, for what reason?

Hon. Léo Cadieux (Minister of National Defence): 1. Mr. Hamilton was not discharged from the Public Service at H.M.C. Dockyard Esquimalt, he was laid off on May 29, 1968, because of lack of work.

2. Yes. Mr. Hamilton presented his grievance and it was given consideration at all levels of the grievance procedure, and it was denied at each level.

3. Yes. Mr. Hamilton submitted his grievance to an adjudicator who was appointed under the provisions of the Public Service Staff Relations Act. Adjudication proceedings were held in Victoria, B.C., on 17 January, 1969, and the award of the adjudicator has not yet been issued.

P.E.I.—ARDA EXPENDITURES

Question No. 1,576—**Mr. MacLean:**

1. What was the amount spent under the ARDA Program in the Province of Prince Edward Island for each of the fiscal years from 1964-65 to 1968-69 inclusive?

2. What is the amount, if any, to be spent in that Province under the ARDA Program in the fiscal year 1969-70?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. 1964-65, $82,797; 1965-66, $137,076; 1966-67, $289,702; 1967-68, $333,125; 1968-69, $194,442 to date.

2. Total amount not yet known. Outstanding commitments total $430,000.

SASKATCHEWAN—AREA DEVELOPMENT GRANTS

Question No. 1,603—**Mr. Burton:**

For the fiscal year 1967-68, how many grants were made to plants in Saskatchewan under the Area Development Incentive Program (a) what is the name of each plant receiving a grant (b) what amount of grant was received by each plant?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development):

(a) Name	(b) Amount $
Inter-Ocean Grain Co. Ltd. (Moosomin)	21,418.00
Lloydminster and District Agricultural Co-operative Association Ltd. (Lloydminster)	41,923.84
Producers Feeds (Sask.) Co. Ltd. (Melville)	15,330.95
P. A. Bottlers Ltd. (Prince Albert)	30,166.39
Canora Concrete Products (Canora)	10,933.36
Webber Homes Ltd. (Yorkton)	42,681.41
Shellbrook Chronicle (Shellbrook)	10,700.73

Total 7

CANADIANS IN TANZANIA

Question No. 1,606—**Mr. Muir (Cape Breton-The Sydneys):**

1. To the knowledge of the government how many Canadians are now in Tanzania?

2. Of the total, how many are military personnel?

3. Of Canadian civilians in Tanzania, how many are members of Canadian University Students' Overseas and what are their functions?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. According to the latest available information, there are 640 Canadians now in Tanzania.

2. Of these, 88 are military personnel.

3. There are 108 members of Canadian University Students' Overseas in Tanzania performing the following functions: 64 teachers; 10 agriculturalists; 5 health specialists; 4 engineers; 4 computer programmers; 3 librarians; 4 economists; 1 secretary; 1 lecturer; 1 publicity assistant; 1 accountant; 1 expert in adult education; 1 physiotherapist; 1 administrator; 3 foresters; 1 lawyer; 1 architect; 1 zoologist; 1 pilot.

QUESTIONS PASSED AS ORDERS FOR RETURNS

USE OF CADILLACS BY CABINET MINISTERS

Question No. 1,038—**Mr. Coates:**

1. How many Cadillac motor vehicles are presently owned by the federal government and made available for use by Cabinet Ministers?

2. Since June 25, 1968, how many Cabinet Ministers have made use of the Cadillacs in the car pool and of the Cabinet Ministers who have made use of these Cadillacs on how many instances in each case?

Return tabled.

Questions

KATES, PEAT AND MARWICK—STUDY FOR POST OFFICE

Question No. 1,325—**Mr. Macquarrie:**

1. When was the consulting firm of Kates, Peat and Marwick engaged by the Post Office Department?

2. What were the terms of reference of the study to be undertaken by this firm?

3. On January 1, 1969, how much had been paid in fees and expenses to the firm?

4. When is it anticipated the report is to be completed?

5. How much is it anticipated will be paid to the firm from January 1, 1969 to the time the report is complete?

Return tabled.

ARMED FORCES CHAPLAINS, WESTERN PROVINCES

Question No. 1,537—**Mr. Diefenbaker:**

1. How many Chaplains are there in the Armed Forces in the three Western Provinces?

2. What are the names of such Chaplains with their respective addresses?

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege arising out of the fact that two starred questions of mine have been on the list for so long that there can be no justification for their not having been answered. Starred questions are supposed to be answered within three days. The following is starred question No. 1501 which I asked on February 19:

Will the Minister of Transport bring to the attention of the Canadian National Railways the suggestion that in the interest of safety for users of the highways which cross railway tracks that diesel locomotives shall have thereon flashing red lights similar to those now used on ambulances, police vehicles and the like?

There should be no difficulty whatsoever in answering that question. The second one might be more embarrassing for the government to answer, but none the less has to be answered. It is starred question No. 1538 which reads as follows:

1. Are stars being used to designate the rank of officers of the Armed Forces?

2. How are ranks designated by stars?

3. Under what authority has this star system come into effect?

I point out that apparently starred questions receive less attention than those unstarred, if this be an example.

[Mr. Coates.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I too rise on a question of privilege. It relates to question No. 1008 in the name of the hon. member for York South (Mr. Lewis), which has been on the order paper since December 10. Both the hon. member and I have asked for an answer several times and we have been assured it would be forthcoming. Meantime we have been reading articles by newspaper reporters such as Carman Cumming and Anthony Westell, which seem to suggest that the information sought by this question is given outside the house, but we do not get it here. Today when I came down to the house I found on my desk the usual list of the questions that would be answered today. Question No. 1008 was included on the list but the parliamentary secretary did not read out the number.

I think it is an affront to parliament to delay answers to these questions concerning regional desks attached to the Prime Minister's office, particularly when information on the subject seems to be available to reporters outside the house.

MOTION TO ADJOURN UNDER S.O. 26

POST OFFICE DEPARTMENT

ALLEGED FAILURE TO PREVENT DISRUPTION OF SERVICE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, seconded by the hon. member for Lambton-Kent (Mr. McCutcheon) I ask leave under the provisions of Standing Order 26 to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely the disruption of mail service resulting from the explosive situation in the Post Office Department arising directly out of the government's failure to appoint an outside arbitrator, and the Postmaster General's ill considered threats of prosecution of striking employees, contributing to an emergency situation of great gravity affecting the delivery of mail from coast to coast.

The situation is one of great gravity and a genuine emergency—

Mr. Speaker: Order, please. I wonder whether the hon. member can proceed further. He knows that according to the Standing Order he has to give notice, and I assume this is the notice to which he just referred. He can

argue the case only after a decision has been made by the Chair whether or not the motion is acceptable. There is a difficulty in this instance because the hon. gentleman filed two papers with the Speaker, as required by the Standing Order, one of which was the proposed motion and the other one which appeared to be an argument.

I certainly do not want to be difficult about the matter. I might say in a general way, however, that my interpretation of Standing Order 26 is that the only document which can be filed with the Chair is a statement of the question, not an argument. In this case, since the notice filed by the hon. member is not all that long, perhaps he might be allowed to make his statement.

Mr. G. W. Baldwin (Peace River): Perhaps I might be permitted to comment briefly on what has just been said, because of the effect Your Honour's statement might have on our procedure. While it is true the hon. member did file with you a motion to be put to the house, if leave were given pursuant to the standing order, the document he is supposed to file is a written statement, and it is the written statement which my hon. friend proposes to read. The filing of the motion is possibly superfluous—it is in the nature of an act of courtesy, indicating to the Chair the kind of motion which would be made.

I agree with Your Honour that there are limits to the extent to which a statement of the kind referred to in the Standing Order should go. However with all due deference, if Your Honour insists on requiring only a statement, limited as that may be unless it is further supplemented, an obstacle might be placed in the path of the Chair when considering whether the motion should be allowed.

I agree entirely with Your Honour that the statement should not contain anything by way of argument. I am glad to have had an opportunity to make this submission in the house, in order that it may be before us, in the record.

Mr. Macquarrie: Thank you, Your Honour. I wanted to make the extra mile, and thought that in doing so I would not be out of order.

The situation is one of great gravity and genuine emergency because some 1100 workers have already walked out in a series of wildcat strikes from Hamilton to Saskatoon, and there are threats of further walk outs, which will have the effect of further impairing mail deliveries across Canada. It is extremely urgent that the matter be dealt with in this house before there is any further deterioration in a situation described in this morning's press as explosive, and involving postal workers from coast to coast.

It is precisely the kind of matter which this provision was set up to deal with because it involves, first of all, a matter of urgency—

Hon. Donald S. Macdonald (President of the Privy Council): On a point of order, Mr. Speaker. You have already indicated—and the hon. member for Peace River has agreed—that what is to be submitted in connection with the rule is a written statement of the matter to be discussed. I would refer specifically to Standing Order 26(3):

> When requesting leave to propose such a motion, a member should rise in his place and present without argument the statement referred to in section (2) of this order.

I submit that the hon. member for Hillsborough is now getting into an argument in connection with this issue; he is arguing the question of urgency, and this specifically the kind of argument which those drafting the Standing Order sought to avoid.

Mr. Baldwin: May I make a comment at this point? When Your Honour receives a copy of the motion to be made, it is up to the hon. member making the motion to bring himself squarely within the four corners of the rule, and to do this he must submit a written statement. He cannot argue the merits or go into the substance of the issue, but surely in making his statement he must convince Your Honour that the motion he is proposing is one which falls precisely within the rule—that it is urgent and, in short, within the description used in the phraseology.

Unless this is done, not in an argumentative way but purely in the form of a statement, how is Your Honour to judge whether or not the motion ought to be placed before the house? I submit that what my hon. friend has done so far is not out of order. Although he has come close to the edge, he has not yet gone over it.

• (2:30 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would draw Your Honour's attention to the fact that we have had three or four examples of the use of Standing Order 26 since the new rule was drawn. I submit that in each case the mover of the proposed motion has included in his statement the reasons for his belief that the

Post Office Department

matter should be allowed for debate. We had two on Friday, neither of which was just one sentence, each one being of some length and setting out the reasons. I submit that that is what the hon. member for Hillsborough (Mr. Macquarrie) is doing now.

The President of the Privy Council (Mr. Macdonald) suggests that the member should stay within the provisions of Standing Order 26 (3). Standing Order 26 (3) says that the member shall rise in his place and present without argument the statement referred to in section (2) of that order. The statement referred to in section (2) of the order is the statement that the member submitted to Your Honour at least an hour in advance of this sitting. I submit that, unless Your Honour advised the hon. member before he came into the house that he had submitted something to you that was improper, then the statement that he has submitted to you is one that he is allowed to read to the house at this time.

Mr. Speaker: I thank hon. members for their advice and I am in agreement with all of them. However, I have the feeling that, as the hon. member for Peace River (Mr. Baldwin) indicated, the statement filed by the hon. member for Hillsborough (Mr. Macquarrie) was a little close to the line. The hon. member for Winnipeg North Centre (Mr. Knowles) has referred to the fact that a number of similar statements or motions have been filed during the last few days, but I also notice that they are getting progressively longer and more argumentative, and this is what the Chair is worried about. I would not want to reach the point where the Chair in lieu of notice would allow statements that might take 15 or 20 minutes for an hon. member to read. I am sure that this is not what the rule contemplated; the correct procedure is somewhere between the two extremes.

The suggestion made by the hon. member for Winnipeg North Centre was that in cases of doubt the Speaker should consult the hon. member. This has been done in other instances. In view of the very special circumstances existing today it would have been difficult to get in touch with the hon. member for Hillsborough. That is why I felt, taking into account all of the circumstances, that I should allow the hon. member to proceed and to put to the house the statement which, as I have said, is not too long. I understand that he is just about nearing the end of his statement in any event.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Macquarrie: Thank you, Mr. Speaker; I am indeed nearing the end of the statement.

Fourthly, a matter arising directly out of a failure in government policy, namely the refusal of the Postmaster General to appoint an outside arbitrator to deal with allegations of breach of contract raised by the employees; and instead has threatened prosecution of those making the allegations.

It is a situation which has now reached a climax of emergency proportions demanding debate by this chamber before we experience another widespread disruption of mail services.

Mr. Speaker: As I indicated a moment ago, I did receive the notice that is required by Standing Order 26. As hon. members know, subsection (5) of the relevant Standing Order refers to the factors that the Chair should take into account in determining whether such a motion should be allowed and put to the house. In particular, the subsection provides:

> Mr. Speaker shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action and he also shall have regard to the probability of the matter being brought before the house within reasonable time by other means.

My understanding is that the first item of business called for today is the government reorganization bill, which by special order is being considered in committee of the whole. When debate adjourned on this item of business on February 28, clause 7 of the bill was under consideration. In my view, the subject matter proposed for discussion by the hon. member for Hillsborough is quite relevant to clause 7 of the bill. Indeed, the hon. member himself has already initiated such a discussion in the course of his own intervention on clause 7, as reported at page 6087 of *Hansard* for February 28.

Since there is the probability that this legislation will be considered later today, it would seem illogical under standing order 26 to set aside the business of the house for the purpose of discussing the very same matter. In these circumstances, I do not think that the standing order allows the Chair to put the motion at this time. I should say however that this does not in any way preclude the possible submission of a similar motion at a later date.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

REQUEST FOR STATEMENT OF MEASURES TO MEET GRIEVANCES OF WORKERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Postmaster General. In light of the emergency situation and the chaos and disruption that is threatening his department, would the Postmaster General consider asking the house to revert to motions so that he could make a statement to the house on what steps he proposes to take to ensure that the dissatisfaction existing among the workers of his department ends, and that mail service disruptions in important centres of this country come to a stop?

Hon. Eric W. Kierans (Postmaster General): As you have already outlined, Mr. Speaker, there will be an opportunity later today for all members of the house to participate in the debate on that part of the bill that deals with the new department of communications.

In direct reply to the question of the Leader of the Opposition, I should like to say that today we have finally completed arrangements with union leaders to reject the grievances that have been presented at the first stage and pass them immediately through to the fourth stage, so that the issues will be adjudicated upon by a third party, which is what we have been looking for, for months. These issues include the wash-up time, return for punching in at noon, and so on.

I would be very pleased indeed to have a third party judge these issues, and finally and once and for all to come to the conclusion that it is not the Postmaster General who is preventing the letter carrier from going home for lunch or from going to a restaurant for lunch or is insisting that he must return to the post office, but that it is in fact the union leaders who are doing all this.

Mr. Speaker: Order. My understanding of the question was whether the minister would make a statement on motions.

Mr. Kierans: Well, I think that will do for a start, Mr. Speaker.

Mr. Stanfield: I should like to ask the Postmaster General a supplementary question. It continues to be quite easy to get answers to questions that you do not ask the minister, but very difficult to get answers to questions you do ask.

From what the minister has just said I take it he is prepared to resort to third party procedure in order to settle these disputes. Knowing how difficult it is to get answers from ministers even during the committee stages of bills. I should like to ask the minister whether he proposes to continue with his rather inflammatory and unacceptable threat to dismiss workers, or is he sticking to his original suggestion of using the regular grievance procedures to resolve outstanding points? Does the minister propose to continue with his threats of prosecution of workers who have gone out?

Mr. Kierans: Mr. Speaker, for weeks we have been trying to process agreements to the point where a third party can judge the issues that are involved. This is not something that is new today; we have been forced into this and have been looking for it.

With respect to statements that I made on Friday night, we are today applying to the Public Service Staff Relations Board for a declaration that this strike is in fact illegal, and secondly for consent to prosecute those involved in the strike. I may say that this government is very proud of the contract that it signed with the letter carriers—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, to the Postmaster General, Mr. Speaker. Since the government has said that it goes along with the recommendation of the Freedman report which calls for negotiating changes in methods of work before those changes are put into effect, will the government suspend its walkthroughs and have the matter negotiated before it tries to bring about a tremendous change in the work patterns of the letter carriers?

Mr. Kierans: Mr. Speaker, it is not a tremendous change in the work patterns of the letter carriers. As a matter of fact, the majority of them find that there is an improvement in their work patterns. The point is, did the Freedman report deal with the right of management, in public or private enterprise, to make managerial and administrative decisions? I do not think the report refuses the right to management to take those steps which, in this case, were deemed to be in the interests of the Canadian taxpayer by ensuring greater productivity and reduced costs.

Inquiries of the Ministry

Mr. Knowles (Winnipeg North Centre): A further supplementary question, Mr. Speaker. Since the dispute is over whether this is a minor or major change, and since the matter is serious to the entire country, I ask again: Will the government suspend the offensive practices it has been indulging in, until the third party has adjudicated with respect to this matter?

Mr. Kierans: Mr. Speaker, the present practices are not offensive, and I refuse to accept that description of them. We have agreed that a third party will adjudicate, and we have been trying to have this done for at least three weeks.

Hon. George Hees (Prince Edward-Hastings): In view of the generous suggestion the Postmaster General made to the Minister of National Defence regarding alternative policies the latter minister could implement for the carrying out of his duties, has the Minister of National Defence assured the Postmaster General that he will lend him sufficient personnel to enable him to carry out his present duties.

Mr. Kierans: Mr. Speaker, the Minister of National Defence and I are not at cross purposes.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. Has the Postmaster General applied to prosecute postal workers under the Industrial Relations and Disputes Investigation Act? If so, when was the application made, or when is it to be made?

Mr. Kierans: It is being made today, Mr. Speaker. To the best of my knowledge, it is going forward today.

Mr. Nielsen: A supplementary question, Mr. Speaker. I did not hear the first part of the minister's reply. Is the application being made under the Industrial Relations and Disputes Investigation Act?

Mr. Kierans: I am not sure. I think it is being made under the Public Service Staff Relations Act, Mr. Speaker.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question.

Is it not the opinion of the Postmaster General that instead of prosecuting the Post Office employees involved in litigation at the present time, it would be better to arrange meetings across Canada so as to explain the new post office legislation and try to find a solution to this serious problem?

[*English*]

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker, to the Minister of Labour. Will that minister not agree that the Postmaster General has misinterpreted the Freedman report with reference to the prerogatives of management?

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

EFFECT OF RATE CHANGES ON SECOND CLASS MATERIAL

Mr. R. N. Thompson (Red Deer): A supplementary question to the Postmaster General, Mr. Speaker. While he is considering any agreements to be entered into with the postal unions, will he also consider the protests of the publishers of many Canadian farm journals and periodicals who face extinction because of the increased cost of second class mail?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I met with a group of publishers on Friday afternoon.

PUBLIC SERVICE

THE QUEEN'S PRINTER—INQUIRY AS TO ABOLITION OF OFFICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. This morning I tried to get in touch with the Queen's Printer and was informed that that position has been abolished. Is this attempt, in removing the Queen's name, another attempt by this government to downgrade the monarchy in this country?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The Queen's Printer is being merged with the department of supply and services; but the title of Queen's Printer remains. It has not been abolished.

Mr. Diefenbaker: Mr. Speaker, my office was advised this morning that the title of Queen's Printer was no more and from now on we must communicate—I want to get the name correct, because it is a high sounding title—with the Director General of Printing and Publications. Will the Prime Minister restore the title of Queen's Printer?

Mr. Trudeau: I will be pleased to advise the right hon. gentleman's office that the

Queen's Printer has not been abolished and that it is included in the statute.

Mr. Baldwin: Do not send the information through the post office; it will take too long.

[*Later:*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, while I am on my feet perhaps I might reassure the right hon. gentleman from Prince Albert who asked a question about the Queen's Printer. If he will refer to article 48 of the Government Reorganization bill now before the house, he will see the minister may appoint an officer of the department to be the Queen's Printer of Canada.

Right Hon. J. G. Diefenbaker (Prince Albert): Just to make it perfectly clear, apparently this has not been done. I say it is a very serious matter that when you phone the Queen's Printer the answer is there is no such person; so the Prime Minister apparently has not done that which he was authorized to do.

EXTERNAL AFFAIRS

O.A.S.—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I direct a question to the Prime Minister. Was the Secretary of State for External Affairs stating government policy on the weekend when he said that stronger relationships with Latin America could be achieved only within the framework of institutions, notably the Organization of American States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand the Secretary of State for External Affairs said no such thing.

Mr. Fairweather: A supplementary question, Mr. Speaker. Before a decision is taken on the question of membership in the Organization of American States, which a distinguished parliamentarian in the other place has referred to as Canada's manifest destiny, will parliament have an opportunity to discuss the military and defence implications of any such arrangements?

Mr. Knowles (Winnipeg North Centre): We know what his destiny was.

Mr. Trudeau: Mr. Speaker, I expect this subject will be before the External Affairs Committee. We are looking forward to hearing the views of hon. members of the opposition on this matter.

Inquiries of the Ministry

NATO—REQUEST FOR DEBATE BEFORE WASHINGTON TRIP

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Does the government intend to initiate a debate in the house on the subject of Canada's participation in NATO before the Prime Minister makes his trip to Washington, so that he may receive the benefit of the views of the representatives of the people from all parts of the country before he conducts these very important discussions with the United States president?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am surprised that the hon. gentleman has not had the occasion to express his views on this matter before now. It has been before the External Affairs Committee for many months. They will report, I believe, within a few weeks.

Mr. Hees: My question was, Mr. Speaker, will there be a debate in this house. As a supplementary question, may I ask if the Prime Minister intends to bypass members of parliament, the members of this house, and continue to receive information on important matters through regional desks, as seems to be the case at present?

ARCTIC ARCHIPELAGO—REPRESENTATIONS TO U.S. RESPECTING SOVEREIGNTY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question arising from the question having to do with the Prime Minister's trip to Washington. When meeting the President of the United States will the Prime Minister discuss, without any equivocation, the matter of our islands in the Arctic and point out that we have complete sovereignty over them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware that the subject will be raised. I repeat what I said in the house last week. We have complete sovereignty over the islands in the Arctic and there is no equivocation about that.

Mr. Woolliams: Will the Prime Minister, then, initiate such discussions so that there is no doubt or ambiguity about our sovereignty over these Arctic islands?

Mr. Trudeau: Mr. Speaker, I do not see why I should raise the question in order to cast some doubt on it. Our position on it is quite clear.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. As I understood it, the other day the Prime Minister said that this was not a question of sovereignty over the Arctic islands but that there was difficulty over the question of the inland seas. I ask, is it not a fact that Canada's stand throughout has been in favour of the sector principle and that view was expressed by Canada at the Geneva Conference in 1958 and was not disputed by the United States or the U.S.S.R.? Does the Prime Minister accept the sector principle, and if he does, and if that is still the policy of the government of Canada, then waterways are in the same position as islands and other lands?

Mr. Trudeau: Mr. Speaker, I do not have the same understanding of this as the right hon. gentleman. I believe the sector theory applies to the seabed and the shelf. It does not apply to the waters. The continental shelf is of course under Canadian sovereignty—this is the seabed, but not the waters over the shelf.

Mr. McGrath: de Gaulle doesn't believe that.

Mr. Trudeau: What's your query?

Mr. McGrath: de Gaulle doesn't believe that.

Mr. Trudeau: Then, talk to General de Gaulle.

Mr. Speaker: Order, please. I have to remind hon. members that we will soon be running out of time and there are many hon. members who are anxious to ask questions. I realize this is an important matter, but we should not allow it to become a debate at this time.

Mr. Diefenbaker: Well, Mr. Speaker, I wasn't trying to make it a debate; I was trying to get information.

Mr. Trudeau: Ask your own members.

Mr. Diefenbaker: When the Prime Minister is in Washington seeing the President of the United States, will he give support to the sector principle, and will he make it very clear to the President that Canada claims the Arctic archipelago?

Mr. Trudeau: Mr. Speaker, I keep repeating the same thing: The archipelago is under Canadian sovereignty; it is Canadian territory. My assertion of the sector theory would apply to the seabed, not to the waters or ice—

Mr. Diefenbaker: That is where the minerals are.

Mr. Trudeau: The question of whether the waterways and the frozen ice are in the international high seas, in territorial waters or in inland waters is the question that is in dispute.

Mr. Speaker: Again I am wondering whether the debate on this point might not be resumed tomorrow, but I note that other hon. members have supplementary questions.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, since the Prime Minister raised some doubt about the inland seas aspect on Friday, I would like to ask him whether the government would at an early date issue a white paper outlining in detail the position of the government of Canada and its claim to sovereignty in respect to islands, to the archipelago, to the inland seas and to the related natural resources, so that people of this country and other nations will know the position of Canada?

Mr. Trudeau: Mr. Speaker, I told the house last week that I was consulting the various departments involved—National Defence, Northern Affairs, External Affairs, and so on—with a view to establishing our policy on this matter which, over the years, has not been clarified by any government, so far as the status of these waters is concerned. I am of course anxious to ensure that we do clear up this matter. As soon as I am in a position to make a statement or publish a white paper I will be glad to do so.

Mr. Donald MacInnis (Cape Breton-East Richmond): As a supplementary question I would ask whether the Prime Minister proposes to defend this sovereignty by reverting to the Pearson gunboat philosophy, which failed in the case of the 12 mile limit?

Mr. Speaker: The hon. member for Surrey.

FISHERIES

CONSIDERATION BY STANDING COMMITTEE OF LICENCE LIMITATION

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Having in mind the renewed representations by the fishermen of British Columbia for a hearing before the House of

Commons Fisheries Committee on the important issue of fisheries licence limitation, would the minister agree to such a hearing being held on this issue?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I would certainly agree to this. I hope such an opportunity does arise, but the proceedings of the committee are a matter for the committee itself to decide.

SEALS—DISCUSSION BY STANDING COMMITTEE OF HUNTING PROCEDURES

Mr. James A. McGrath (St. John's East): As a supplementary question, Mr. Speaker, would the minister also give consideration to referring the subject of the seal hunt to the Standing Committee on Fisheries and Forestry before any decision is taken to abandon the hunt in the Gulf of St. Lawrence, as expressed in the statement issued today?

Hon. Jack Davis (Minister of Fisheries): That sounds like a very good idea, Mr. Speaker.

SEALS—USE OF HELICOPTERS IN HUNT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Fisheries whether he has investigated reports that the helicopters being used by the Humane Society people are responsible for seals taking to the water prematurely resulting in a large number of them being drowned?

Hon. Jack Davis (Minister of Fisheries): There is some evidence that that is a fact.

Mr. McGrath: As a further supplementary question, would the minister explain to the house why he left the hon. member for Gander-Twillingate behind on Friday?

Some hon. Members: Oh, oh.

Mr. Lundrigan: As a further supplementary question, Mr. Speaker, may I ask the minister what action he plans to take on the matter I just raised, and whether he will make facilities available through his department whereby hon. members who were advertently or inadvertently left behind last week could make a similar trip at their convenience?

Mr. Davis: Mr. Speaker, I think the hon. member knows that the matter of recruitment of interested members was discussed with members of all parties on several occasions. I am sorry the hon. member was not able to make it at one o'clock as scheduled on Friday, but I hope he can be with us next time, because we welcome his advice.

Mr. Lundrigan: On a question of privilege, Mr. Speaker, I am not going to get into a debate on the fact that I was left behind, and I won't accuse the minister of being a liar. I will just say his watch must have been a bit fast. I am more interested in the sealers than in what happened to the hon. member for Gander-Twillingate. But I repeat my question: At their convenience, later in the week will the minister make facilities available to interested members such as the hon. member for St. John's East and the hon. member for Humber-St. George's-St. Barbe to make a visit similar to the one he made?

Mr. Davis: First priority will always be given to members of the house over anyone else, including the press.

TELEVISION

KAMLOOPS, B.C.—REQUEST FOR ALTERNATE SERVICE

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have an urgent question for the Secretary of State concerning Kamloops, which may also have national implications. Could the minister please advise the house, on behalf of the Canadian Radio Television Commission, whether they might hear applications to provide alternate television service for Kamloops and other areas which fit into the same category?

Mr. Speaker: Order, please. I would think this is the type of question which should be debated at the time of adjournment.

Mr. Marchand (Kamloops-Cariboo): Ten o'clock, Mr. Speaker.

AGRICULTURE

HONEY—MEASURES TO PROMOTE SALE AND UTILIZATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Agriculture which has to do with a very sweet subject. In view of the fact that the month of March is National Honey Month, and since the minister just recently had the extraordinary honour of crowning the National Honey Queen, who happens to be a very sweet girl because she comes from the riding of Vegreville—

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Mazankowski: —would the minister undertake to use his good offices to promote the sale and the utilization of honey and honey products both at home and abroad, particularly in view of the fact that the utilization of honey has been steadily declining in the past few years?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Department of Agriculture has been party to a promotion campaign undertaken by the Honey Council of Canada to promote the sale of this product in Canada and outside it.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HONEY QUEEN, MISS DEVRA DRYSDALE

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, may I also be permitted to draw to the attention of hon. members the presence in your gallery of Miss Devra Drysdale, who was crowned the Honey Queen of Canada last Friday evening.

Sone hon. Members: Hear, hear.

Mr. Speaker: The procedure may be somewhat irregular. The only thing I can say is *Honi soit qui mal y pense.*

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): Mr. Speaker, on a question of privilege I think it should be noted that the parliamentary secretary to the Prime Minister was also born in Vegreville.

Sone hon. Members: Hear, hear.

TELEVISION

ELECTRONICS MEDIA—GUIDELINES ON MONOPOLY CONTROL

Hon. G. W. Dinsdale (Brandon-Souris): Mr. Speaker, may I direct a question to the Secretary of State. When will the minister be announcing guidelines dealing with trends toward concentration of ownership and monopoly control of the electronic media in Canada, as he indicated he would be doing some time before Christmas?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): As far as the ownership of the mass media, is concerned, Mr. Speaker, we hope to be able within the next two weeks to send out instructions to the C.R.T.C.

[Mr. Mazankowski.]

With regard to the matter of information monopolies, it will remain under consideration for a little longer.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question, Mr. Speaker, I presume the minister will be making an announcement to the house. In the meantime could he say what the guidelines are for the C.R.T.C. in respect of cablevision applications?

Mr. Speaker: The hon. member is asking the minister to make a statement which normally should be made on motions.

Mr. Dinsdale: I rise on a question of privilege, Mr. Speaker. With deference to Your Honour, I should like to say that at the moment the C.R.T.C. is engaged in deliberations requiring such guidelines. I ask the minister whether he will make a statement in that regard in sufficient time so that the C.R.T.C. will have adequate guidelines with which to deal with cablevision applications?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I have been in touch today with the C.R.T.C. authorities and I questioned them about their plans in that respect. There is, in fact, a matter of urgency and they would even like to receive some instructions within a fortnight which we shall attempt to do.

However, for the time being we are in the process of reviewing the case. They are not considering new applications, however they are reviewing cases of community antennas already existing in the light of the Broadcasting Act.

[*English*]

INCOME TAX

DEDUCTION FOR BABY SITTING SERVICE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the news today that businessmen can now take their wives on trips and deduct the expense from income tax, will the minister now consider allowing mothers who work outside their homes to deduct the expense of paying babysitters?

Mr. Speaker: This is a question which might be debated at the time of adjournment.

[*Translation*]

EXCHEQUER COURT OF CANADA

PUBLICATION IN FRENCH OF RULES OF PROCEDURE

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a question to the Minister of Justice.

Could he tell us when the rules and general orders of the Exchequer Court will be published in French?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the last time the hon. member asked that question, I tried to convince the Chief Justice of the Exchequer Court of the urgency of the matter. But, in any case, I guess we shall have to wait another few weeks.

[*English*]

TRANSPORT

SAINT JOHN, N.B.—HANDLING OF ABNORMALLY LARGE SHIPMENTS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Acting Minister of Transport, notice of which I gave him early this morning. Has the minister any information on the very serious bottleneck at the port of Saint John and can he tell us what the government, the railways and the Harbours Board are doing to fulfil their responsibility in this matter?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I wish to thank the hon. member for his usual courtesy. The general cargo handlings at Saint John are abnormally high at the moment due to strikes on the eastern U.S. seaboard. All berths in the harbour are being fully utilized in the loading and unloading of general cargo ships. The problem is to find berths with sufficient grain handling facilities for the grain ships.

The focal point of the problem appears to be the labour supply which at the moment is insufficient to meet an abnormal situation such as the present one. The 42 to 45 gangs available are doing an excellent job by working 12 hours a day Monday to Friday and eight hours each on Saturday and Sunday, but they are unable to meet the abnormally high peak period.

Mr. Bell: I should like to thank the minister for giving full information. Does he know that there would be agreement in this party if he would take over the ministry of transport so that we could have full information every day?

Inquiries of the Ministry

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can give any information as to when he hopes to table a report about which we have been seeking information for several months. I refer to the report of the royal commission relating to security. We have asked this question several times. Can the Prime Minister give the house any information concerning when we will receive the report or what the reason is for the delay?

Right Hon. P. E. Trudeau (Prime Minister): There is no firm day, Mr. Speaker.

[*Later:*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, could the Prime Minister not give the question of the report his attention since this matter has been dragging on for several months? I for one find it difficult to understand the reason for the delay and why a report of this importance cannot be tabled in the house. This kind of delay, if I may say so, may very well lead to suspicion concerning the reasons for which the government is withholding the tabling of the report.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, because it is a royal commission on security the subject matter is a very delicate one. As I explained very early in the session, we were involved in the very delicate process of trying to render public certain sections of the report without making public other sections, the release of which would be harmful to the security of the country. It is this assessment in respect of which we are having difficulty reaching a conclusion. This is the reason for the delay.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, regarding this report may I ask the Prime Minister whether it will be or has been made available to the heads of previous administrations, any of the three former prime ministers who as Privy Councillors would have the right to see it, or to anyone outside the present cabinet?

Mr. Trudeau: Well, Mr. Speaker, as to whom the report will be made available, if

we table it in the house in the abridged version it will be made public; there is no problem there. In respect of the question concerning to whom it has been made available: It has been made available to the cabinet ministers and certain civil servants who are concerned with security matters.

INDIAN AFFAIRS

THE PAS, MAN.—ADMINISTRATION OF HEALTH SERVICES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Could the minister say whether a decision has been reached in relation to the two matters brought forward to him by the chief of the Indian band at The Pas, Manitoba?

Hon. John C. Munro (Minister of National Health and Welfare): Yes. We indicated that the woman in question who was involved in the complaint was being actively considered for transfer. So far as the other matter, with regard to the community health service being responsible to the Indian band is concerned, we are quite agreeable to that.

HEALTH AND WELFARE

MEDICARE—INTERVENTION OF R.C.M.P. FOLLOWING THREAT OF PLAN OPPONENT

Mr. G. H. Aikin (Parry Sound-Muskoka): Mr. Speaker, I should like to direct this question to the Solicitor General. It relates to an interview by the R.C.M.P. with an Ottawa man who visited the office of the Minister of National Health and Welfare a week ago today. Have any charges been laid against this man or are any contemplated?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, no charges have been laid in this case, and so far as I know none are contemplated.

Mr. Aiken: Is the investigation considered to be at an end so far as the R.C.M.P. are concerned?

Mr. McIlraith: So far as this particular incident is concerned, I believe so.

[*Later:*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question for the Solicitor General. In the answer to the last question I asked him he used the words "so far as this particular incident is concerned." I hope the minister is not leaving an inference that there are other incidents being investigated involving this particular person. Would the Solicitor General advise whether that is what he meant?

Hon. G. J. McIlraith (Solicitor General): No; I do not accept the hon. member's interpretation of my answer. I do suggest, however, there have been other incidents and an indication that there may be several other incidents. This is the nature of the information we have obtained.

COMBINES

TAKE-OVER OF COMPUTER CORPORATION BY CANADIAN NATIONAL TELECOMMUNICATIONS

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs, notice of which I have given him. Is his department investigating the recent take-over of the Computer Corporation of Canada by Canadian National Telecommunications in order to see whether there has been a contravention of trade practices?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, this matter has been referred to the Director of Investigation and Research under the Combines Investigation Act.

Mr. Schreyer: Mr. Speaker, may I ask the new minister of communications whether his department is considering a review of this recent take-over to see whether it is in line with government policy?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we are assessing the implications of the take-over.

[*Translation*]

GEOGRAPHICAL BOUNDARIES

DEMARCATION BETWEEN QUEBEC AND ONTARIO

Mr. Bernard Dumont (Frontenac): I would like to ask the Prime Minister a question.

Since he is having studies made on the marine boundaries to be set in the North, could he tell the house if a marine border is to be established between Quebec and Ottawa by using the water branching median line formula?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I did not get the question, Mr. Speaker. Which dividing line does the hon. member refer to?

Mr. Dumont: To the watershed line, Mr. Speaker. Will the border be set according to line?

Mr. Speaker: The hon. member asks the right hon. Prime Minister to consider his proposal. He will probably take it for granted that he will do so.

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

[*English*]

UNEMPLOYMENT INSURANCE

REMOVAL OF ADMINISTRATION OFFICES FROM TORONTO TO BELLEVILLE— LAY-OFF AT WINNIPEG

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I should like to direct a question to the Minister of Labour arising out of a recent decision he made to move the Unemployment Insurance Commission from 25 St. Clair Avenue East, Toronto, to Belleville. This will result in a number of public servants losing their present jobs in Toronto. In view of the fact that none of these employees are covered by unemployment insurance, I should like to ask what measures the government will take to ensure that those who cannot move will not be laid off?

Mr. Speaker: I am not sure whether this question involves a matter of urgency. Perhaps the hon. member might consider the possibility of having the matter discussed at the time of adjournment. I have some doubt whether the question qualifies for consideration at this time.

Mr. Kaplan: Mr. Speaker, I rise on a point of order. The minister's decision was announced very recently and a large number of public servants in Toronto are affected.

Hon. Bryce S. Mackasey (Minister of Labor): Mr. Speaker, this was not a decision by the Minister of Labour; it was a decision on the part of the Unemployment Insurance Commission. There are 180 employees affected, of whom 117 have accepted transfer to Belleville; 23 others have accepted work in the Toronto area office and work will be found for the remaining 40, or severance pay will be granted for a period up to six months notice depending on service.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of Labour whether he has yet found a way to avoid the lay-off of some 20 or 30 employees of the Unemployment Insurance Commission at Winnipeg?

Mr. Mackasey: As I have pointed out on many occasions in the house, the original number was 800. The fact that we have cut it down to 20 or 30 indicates the foresight of the commission. We anticipate we will be able to look after the remainder. In any event, no one in the Unemployment Insurance Commission will be dismissed with less than six months' notice.

HOUSE OF COMMONS

ESTABLISHMENT OF OFFICE OF PARLIAMENTARY COMMISSIONER

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in view of the fact the Prime Minister stated in reply to a question I asked last October that the Minister of Justice is considering the possibility of appointing an ombudsman, can he inform the house what steps he has taken toward establishing such an officer of parliament to serve the Canadian public and parliament?

Mr. Speaker: The question raised by the hon. member is one of a very general nature. I appreciate that it is also of importance but I wonder whether the hon. member would not agree that this question should be answered by a statement on motions.

Mr. Thompson: I think he has the answer ready.

AGRICULTURE

PRESENTATION OF BRIEF BY FEDERATION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, because of the urgent nature of this matter I should like to direct my question to the Prime Minister. Can he indicate whether there are intentional exclusions from his participatory society, or is there some other major reason for the delay of months in granting the request of the Canadian Federation of Agriculture to present its brief to the Prime Minister and members of the cabinet in accordance with the courtesy extended annually for many years?

Mr. Speaker: While the matter is being checked, perhaps the hon. member for Mackenzie could be allowed to ask his question.

Inquiries of the Ministry

SOYBEANS—DECISION FOLLOWING REPRESENTATIONS BY MARKETING ORGANIZATION

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Before the hon. member does so I should bring to the attention of hon. members that we have gone beyond the time allocated by a few minutes. I know that he and other hon. members would like to ask questions. If the hon. member's question relates to a matter which might wait until tomorrow I will undertake to make a special effort to allow his questions to be asked at an early moment. If the hon. member has a point of order I will hear him.

Mr. McCutcheon: My point of order is merely that the question I wish to ask the Minister of Agriculture is strictly urgent.

Mr. Speaker: Perhaps the hon. member might have leave, and unanimous agreement of the house, to ask this last question.

Mr. McCutcheon: Thank you very much, Mr. Speaker. My question to the Minister of Agriculture is: Can he report to the house whether a decision has been arrived at by the government regarding a request recently presented to the minister by the Ontario Soybean Marketing Board and, if not, when can we expect a decision? I ask this question at this time because of the urgency of making this information available, since growers meetings are scheduled all over Ontario next week.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we had a very useful meeting with representatives of the Ontario Soybean Marketing Board on Friday morning. We agreed however that some of the statistics and information respecting the price paid to producers in Canada, which are also related to the cost of imported soybeans, warranted further investigation. That investigation is going forward now.

FARM IMPROVEMENT LOANS ACT

POSSIBILITY OF MORATORIUM ON PAYMENTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, because of the financial difficulties now facing many farmers which are resulting in the repossession of machinery, has the government given any consideration to imposing a moratorium or payments due under the Farm Improvement Loans Act or, in view of the extended time permissible on new loans under the amended act, to permitting renewals particularly in respect of those farmers who have had successive crop failures?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as the hon. member well knows, the administration and in fact the credit used under the Farm Improvement Loans Act are matters for the bank. As I have said on a number of occasions in the house, where an individual application is made to the Farm Credit Corporation, for example, and it is substantiated by the fact that it is difficult or impossible to make payments, all these factors will be taken into account. There have been some postponements. I do not think a general moratorium would be good practice in this respect because it would also include a lot of people who can and should in fact make their payments on time.

ADMINISTRATION OF JUSTICE

SIR GEORGE WILLIAMS UNIVERSITY—DEPARTMENTAL OFFICER AT PRELIMINARY HEARING

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fact there is some difficulty about the black foreign students in Montreal in relation to the Sir George Williams incident and in view of the request made on Friday I am wondering whether the government will send a federal representative to Montreal to be present during the court proceedings in order to deal particularly with matters concerning external affairs and immigration?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I had anticipated that this question would be asked concerning the Department of External Affairs. Perhaps I might be permitted to answer.

It is not the usual function of the federal government to observe the machinery or the administration of Canadian justice. However, as the hon. member knows, the Department of External Affairs has had an officer from its legal division attending in Montreal during the course of the preliminary inquiry now under way. This officer has acted in a liaison capacity between the diplomatic representatives of the relevant Commonwealth Caribbean countries, the police and the judicial authorities of Montreal involved in the cases.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY AND OTHER NEW DEPARTMENTS

The house resumed, from Friday, February 28, consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

The Deputy Chairman: When the committee rose on Friday, February 28, clause 7 of the bill was under consideration.

• (3:20 p.m.)

On clause 7—*Department established.*

Mr. Deachman: Mr. Chairman, when we left the subject of the bill on February 28 we were dealing with the changes that are to take place in the Post Office Department and other departments of government in order to form the new Department of Communications. I realize there are some hon. members who want to speak on a matter of considerable urgency with which we dealt during the course of the question period, but I want this afternoon to deal with two or three points not related particularly to postal services but which came to my mind and are important so far as communications are concerned.

The first point I want to deal with particularly is the title of the new department. It is to be known as the Department of Communications, although in the bill it is stated that the minister is also to be known as the Postmaster General. I presume that he is to be known as the Postmaster General rather in the way that the Minister of Finance is also known as the Receiver General, a title which is used officially or for purposes of departmental administration, and is in the act but is not really used publicly in the minister's title.

I wish to refer to a debate which took place in the house during the last parliament in connection with the establishment of the title of Minister of Manpower and Immigration. Hon. members will remember that at that time it was first thought that the minister's title should be Minister of Manpower and that the word "Immigration" should be dropped. I think hon. members opposite raised the point that the word "Immigration" is so firmly fixed in the public mind, so well understood, indeed, that it should be associated with the title of the minister. This was agreed, an amendment was made in the house and the title of the minister was finally decided upon as being Minister of Manpower and Immigration.

The suggestion I make this afternoon is simply that we should not abolish the words "postal services" and the title "Postmaster General" but should make an attempt to retain a title so well known throughout Canada and the world in mail or postal services. My suggestion is that the title should not be abridged to that of Minister of Communications, or Department of Communications but that the department should be known as the Department of Communications and Postal Services.

When someone in the country wants to complain about the mail service the department he requires should be listed clearly in the telephone directory. He should not be put off his stride by hunting through the telephone book and not finding old and familiar words. Therefore I plead for the retention in the title of the words "Postal Services", and for the department to be called the Department of Communications and Postal Services.

Mr. Woolliams: Procrastination.

Mr. Deachman: I will let the hon. member make his own speech.

Mr. Aiken: He will, too.

Mr. Deachman: In his speech of February 28 the minister said:

> The Post Office payroll is 48,000, easily the largest of all civilian departments. In a sense it is the most "national" of all departments: There is a post office in every sizeable community in the country, more than 8,000 in all which is more, I might point out, than all the branches of our nine chartered banks combined.

The minister then described the rest of his department and said:

> The Communications Research Centre . . . is being formed from the existing defence research telecommunications establishment, a branch of the Defence Research Board. Its staff currently numbers 520 and is composed of five principal laboratories—

He continued:

> —some 630 . . . have moved over from what was formerly the Telecommunications Policy and Administration Bureau of the Department of Transport. They will continue to administer the Radio Act, that is the technical regulation of radio frequencies and the licensing of users, whether these be for taxi radios, microwave relays, telephone systems or television broadcasting transmitters.

So there it is. He has 48,000 employees and 8,000 branches in the Post Office Department, and he wants to eliminate the words "Postal Services" or "Post Office" from the title of the department.

I want to deal more specifically this afternoon with a different topic. I refer to the subject of communications in its new role as the minister explained it and apart from the Post Office. In his speech the minister said:

> Combined and rationalized under a single minister are all of the government's activities in the field of communications, that is both communications in its modern, electronic sense, and communications in its traditional sense of the Post Office.

A little later he said:

> —the object of this legislation is to make a single minister responsible for all government activities in the field of communications.

Then he said:

> —the Minister of Communications is responsible for two departments, each headed by a deputy minister, and also for a number of government agencies. The departments are, of course, the Department of Communications itself and the Post Office. The agencies which will now report to parliament through the Minister of Communications are the C.O.T.C., the Canadian Overseas Telecommunications Corporation; the Canadian Transport Commission, but specifically only that segment of the C.T.C. concerned with the regulation of telecommunication rates, and, once it is established by legislation, the domestic satellite corporation.

These are functions now carried on by the air services division of the Department of Transport and by its telecommunications and electronics branch. I want to refer you, Mr. Chairman, to a part of the description of that branch as set out in "Organization of the Government of Canada", the official volume describing the functions of departments and branches of the government. It says:

> The functions of the telecommunications and electronics branch include: the . . . use of radio for safety of life in the air and on the seas; construction, maintenance and operation of aeronautical, marine and meteorological radio-communication stations and of radio and electronic aids to navigation associated with airports and domestic and international airways, and with marine navigation along the sea coasts of Canada and on the Great Lakes—

The reason I have given these quotations and this background in some detail is in order to ask some questions to which clear answers should be given before we give final approval to the bill. Does the bill mean that the communication functions of airports and air and marine navigation are now to come under the new ministry? Are there to be two

[Mr. Deachman.]

ministers in the airport tower? Have the functions of air navigation, air safety and air control now been split between two departments as a result of the bill which we are about to pass? Is the team on which we rely every time we take off or land at an airport to be directed in future by two bosses? If this is not so, we should be told, for the bill as it now stands is ambiguous on these points.

• (3:30 p.m.)

If we look at schedule B of the bill we see that it amends the Radio Act to bring it under the new minister. This is a very important act controlling the licensing of every kind of radio transmitter in Canada, stationary or mobile, and every operator of a set. Here is the way in which the Radio Act will be amended according to schedule B of the new bill. Hon. members will find this at page 63 of the bill which they have before them. The operative words in the amendments are the following:

> —no person shall
> (a) establish a radio station, or
> (b) instal, operate or have in his possession a radio apparatus
> at any place in Canada or on board any—
> (d) aircraft registered in Canada, or—
> except under and in accordance with a licence and, to the extent that it is a broadcasting undertaking, except under and in accordance with a technical construction and operating certificate, issued by the Minister under this Act.

To me this simply means that the Postmaster General as we know him today is not only to be in the D.O.T. tower at the airport but that he has climbed aboard every aircraft in the land and also every ship. I am not prepared at this time to condemn this arrangement, but I want to know if this is so. If it is so, why is it better, safer, simpler and cheaper than it was under the air services division and the former ministry?

The Department of Transport was put together in 1936 by the late C. D. Howe when he amalgamated the old department of railways and canals, the department of marine, and the civil aviation branch of the Department of National Defence. It became such a large empire that every prime minister and minister since that time has thought of splitting it up. On September 17, 1964, Mr. Balcer, a former minister of transport, said the following in the House of Commons:

> —I believe that it would make sense to take the management of the civil aviation division away from the Department of Transport.

That is found at page 8120 of *Hansard* of September 17, 1964. Mr. Glassco suggested the idea in volume 5 of his report when he said at page 44:

> —would the public interest be better served by the creation of a separate ministry to give more single-minded attention to the problems of civil aviation, or by maintaining the present organization as a more suitable context within which to attack the broader problems of transportation policy?

Of all the suggestions for carving up the Department of Transport, the one that consistently has made the most sense to us over the years has been the establishment of a ministry for air. Canada has a long and outstanding history in air transportation. Most modern nations have long since established separate air ministries. Communication is such an integral part of the operation of air services that one would have thought it more logical to establish an air ministry and let it be the agency for communication services which are now to be lumped with the Post Office.

Let me turn again to Mr. Glassco for an opinion. In volume 2 of his report, page 251, he says this in discussing telecommunications:

> —there is no case for unified management of government telecommunications. But there is need for central policy and authority to ensure that a cohesive and economic pattern will evolve.
>
> Telecommunications must be recognized to be, first and foremost, a supporting service essential to the conduct of operations. Consequently, the individual departments and agencies, as the active operating organizations of government, must bear the primary responsibility for determining what telecommunications are necessary to the success of their programs, and for ensuring the effectiveness of those services. In these respects, the management of telecommunications differs in no way from that of other supporting services.

The question then arises: To what extent is the new department to be simply a policy-making department, and to what extent is it to take over operating functions?

In summary, my main questions to the minister as he takes up his new duties are these: First, are we emasculating the air services division in such a way that it can no longer hope to be an effective single component capable of one day becoming a ministry for air? I think that is a very important problem for members to consider today in this chamber as we discuss this bill. Second, are we centralizing the operation of communications, taking it away from departments as a supporting service, and moving in the opposite direction to the one recommended by Mr. Glassco? If so, what have we found in the interval since the Glassco report that has brought about the decision to head off in a direction counter to that taken by him in his recommendations? Are we putting two ministers in charge of air control where now there is one minister and one team?

This is a matter that deserves thoughtful consideration by the house for it has to do with air navigation, sea navigation and the safety of people travelling by air and on sea. Have we made the right decision in giving telecommunications to a department which has heretofore been unassociated with it, or should it have been left with air services where there are operators as well as inspectors and licensers with many years of experience in the Department of Transport, the principal user of communications in the country?

I think these are pertinent questions. I am not a technician in the field, I am not highly skilled in it, and I am not competent to answer these questions. But they are certainly questions which come to my mind when I read the bill and ones to which I think the minister should address himself when he tells us how the decisions were reached in regard to the organization of the new Department of Communications. I will listen to him with great interest when the opportunity comes for him to explain these points.

Mr. Woolliams: Mr. Chairman, it is a privilege to speak today in the Committee of the Whole. Under the new rules we do not get this opportunity very often because this part of our procedure has largely been abolished.

I would like, first, to put this debate in proper perspective by quoting a statement made by the minister at the start of the debate on February 28. This may be a breach of the rules but I would like to quote him now. He said:

> One possible change under study is that of the desirability and feasibility of recreating the Post Office as a Crown corporation. In the meantime, no matter what may or may not happen in the future, the mail must still be delivered.

I think that is a powerful sentence, particularly today. If I had remained silent in this debate I might have appeared to the minister to be consenting to the birth of another taxpayers' monster, which is what will happen when we have a Crown corporation to do the work of the Post Office. We have heard much talk about communications, about how communications are being developed in outer space and what this will mean. However, mail delivery in this nation has now reached

the point, not because of strikes—the difficulty developed long before that—where it would be quicker to deliver the mail by stage coach than by the methods used today. It took two weeks for a book to be returned from my home in Calgary to the library here in Ottawa. I mailed a postcard on a Thursday and it took a week to get here. That is the kind of service we are getting.

• (3:40 p.m.)

Now it is proposed to establish another monster over which parliament will have no control. I think of a number of these Crown corporations which are costing the taxpayers many millions of dollars each year and over which parliament has no effective control whatsoever. I do not want to see the minister lose control of the Post Office. I think that over the years Canada can be proud of its postal services; some fine personnel have served in the department. Surely the minister could get together three or four men from the postal service and have them cross the nation to find out why the public is not better served. He told us the mail must be delivered. Well, the mail is not being delivered. This may be due in part to the ending of Saturday deliveries, but I do not know why it should take from Wednesday to the following Tuesday for a letter posted in Toronto to be delivered in Ottawa. I believe the minister should take a team from the Post Office and have a thorough investigation made. I do not wish to appear, by being silent, to endorse what is going on.

My hon. friend from Hillsborough complimented the Postmaster General on some of his new ideas. But the minister has aggravated the present situation by threatening postal workers with prosecution if they do not behave. I, personally, do not believe that the old innstrument of strikes ought to be used by people in the public service of Canada. I do not think it works out very well. This is my own view; I have not discussed it with my party. Surely in this modern age, given the capabilities and the knowledge of management and labour, these problems could be worked out without disrupting essential services such as the railroads and the mail. Remember, though, it was a Liberal government which gave those engaged in the public service the right to strike. It was they who brought in the necessary act of parliament to this effect, and responsibility for so doing rests on their shoulders.

[Mr. Woolliams.]

Again, instead of acting in a logical way by appointing someone to arbitrate the issue now in dispute, the Postmaster General says he intends to prosecute those concerned. Mr. Chairman, he cannot make anyone in Canada believe he intends to prosecute all the mailmen, because there are not enough jails to hold them all.

We on this side of the house opposed certain moves to increase postal rates. We said the increase would kill off the weekly newspapers, the farm papers and the periodicals. As we predicted, they are gradually going broke. Even *Maclean's* has been reduced in size: it is now a little magazine. Farm papers have gone broke. Weekly newspapers have gone broke. At the same time this government, for some reason, still subsidizes *Time* magazine and *Reader's Digest* to the extent of about $1,500,000 each year. Canadian papers do not enjoy this advantage. I do not know whether the government has such a monopoly on good news in *Time* that they hate to destroy it. Perhaps they ought to take the news across the nations using *Time* magazine, but it seems to me they are discriminating against Canadian periodicals.

I intend now to make a serious charge against the Post Office Department, and I am not imputing any blame to the minister in this regard. While he is making a check on the working of the Post Office I think he should look into it. Arrangements exist under which, on payment of so much per pound, mail is delivered to householders throughout a city. During election campaigns candidates of all parties use this method of getting their literature into homes of constituents. It is also widely used by business houses. In Calgary North there are 26,436 houses, 2,874 apartments and 1,191 businesses. I believe it costs from $400 to $600 to have mail delivered to householders in Calgary. What happened? Bundles of advertising put out by various department stores in Calgary as well as election pamphlets of mine were found out in a ditch two or three miles north of Calgary in a place called Airdrie. The Post Office was contacted immediately. Investigators went there and took photographs. They found the undelivered mail there in bundles. Since then I have written frequently to the department asking for an explanation. Apart from anything else, I feel that if mail is not delivered the least the department can do is to refund the money which has been paid. But nothing has been done in this regard. I am reading from a letter dated November 14, 1968—

Mr. Knowles (Winnipeg North Centre): Maybe that is why the hon. member was elected.

Mr. Woolliams: It could be. I might have been fortunate. And perhaps it is why sales have been going up in the department stores. Anyway, I was advised finally that one or two postmen had resigned. I say that if citizens and corporations of this nation place mail in the hands of the Post Office they are entitled to expect it to be delivered, and that in cases where it is not delivered and is found in conditions such as I have described there ought to be an investigation by the R.C.M.P. I have asked the Post Office to take action along these lines but it has never been done. I say, too, that if the department knows who is responsible—and in this case the walk numbers were still on the parcels so it was easy to find out—the people concerned should have been prosecuted. After all, in the Post Office as a whole we have been served by the finest kind of public servants any nation could ask for, and one or two bad apples could turn the whole box bad by giving the entire department a bad name.

I ask the minister to look into this incident. The same thing is going on in other cities as well. Rates today for delivery to householders are expensive enough; yet the material is being dumped in garbage cans, I am told. I believe we are entitled to an explanation.

The minister talks about reorganization. He should make arrangements to investigate the causes of poor mail service. At present, it is a disgrace. I feel sorry for the hon. gentleman. No doubt he inherited part of the problem, but it appears to be getting worse. Has he failed to arouse any initiative among the officials with whom he comes into contact? A question was asked by my right hon. friend from Prince Albert with reference to the time taken for a letter to be delivered from Calgary. What did the minister say in his reply? He told the house arrogantly that it must have been a tremendously important letter. Mr. Chairman, it does not matter how important the letter was. It is the quality of the service that should concern him. Why did he not begin an inquiry immediately to see whether he could not get some service back into the Post Office, especially at a time of increased rates?

This afternoon parliament is being asked to give birth to another monster. Once a Crown corporation has been created, I know what the minister will say in reply to questions and complaints. He will say: I have no jurisdiction over a Crown corporation in such matters it is an independent body. What is the purpose behind all this? Behind the allegory which is being used, the word "Royal" will be removed from its connection with the mail and with the Post Office. That is the purpose of the change which is proposed. I have never used this argument before. Surely it is not intended to destroy the whole apparatus of the Post Office to satisfy the desire of this government to do away with the tradition to which I have referred. Yet, as I see it, this is the motive behind the present proposal. Behind the allegory of a new corporation and concern with satellite communications, this is what they have in mind.

• (3:50 p.m.)

I want to raise a sincere objection to the formation of any Crown corporation which will cost the taxpayer a lot of money without parliament having control over the way in which that money is spent. I cannot believe that the minister is really serious in this regard and I should like to hear him further on this point. I should like to hear him assure the committee that he will hold an investigation and get the mail going again, that he will take a look at all the periodicals, farm papers and weekly papers that are now going bankrupt, as we said they would, under the new rates that have been established while United States periodicals enjoy a bonus from the taxpayer of $1.5 million.

I had always thought that the minister was a pretty able man, but he is not showing that kind of initiative in the Post Office Department at the present time. I am not going to take any more time. I have set out my position so far as the Post Office is concerned. I would have been negligent in my duty and responsibility as a member of parliament if I had not brought to the attention of the minister and the committee the fact that everybody in Canada is crying about the terrible service of the Post Office. What has happened?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to say a word of sympathy for the hon. member for Vancouver Quadra respecting the point he raised to the effect that the words "Post Office Department" should not disappear from telephone directories and other such places. However, I submit, having read the various clauses in the bill, that this is not likely to happen. The department over which the present minister

will preside will be known mainly as the Department of Communications and the minister will be addressed as the Minister of Communications. However, according to my reading of clause 12 of the bill there is to be continued a department in the government of Canada which will be called the Post Office Department and the presiding minister is to be the Postmaster General.

Clause 12 also makes it clear that the Minister of Communications will be the Postmaster General. In other words, whoever heads up this phase of governmental activity will wear two hats. I suspect that as far as the general public is concerned the main interest for a long time will be in the Post Office Department, and the Post Office Department will certainly be listed in the telephone directory and be there for people to consult and deal with.

I rise this afternoon mainly to make an earnest plea to the minister to establish proper employer-employee relations in the Post Office Department, and to get at this with speed.

We have had a good deal to say during the course of this session about changes with respect to the Post Office Department that we do not like. We do not like the higher charges and the reduced service. We do not like the five-day delivery schedule. We do not like all of the things that have been complained about under these various headings. I think that the minister is being callous in his failure to be concerned about non-profit publications and so on. But I submit that the element that can do the most damage to the service of the Post Office Department is the development of a tradition of bad employer-employee relations.

I know that the minister has been running around to the various post offices in Canada, visiting the workers, eating lunches in their cafeterias and so on, and that he prides himself on being a person who is interested in good employer-employee relations. But, with respect, I would submit to him that on the issue that is causing trouble in many cities in Canada today he is completely off base.

In his reply to a question or two on orders of the day this afternoon, the minister said that he saw no relationship between this matter and the Freedman report. I submit that there is a very close relationship between the recommendations of the Freedman report and what some of us are asking in connection with the present situation. As a matter of fact, I submit that there is close proximity between the problem that initiated the Freedman inquiry and the problem here.

The Freedman report came about because of run-throughs that were established by the Canadian National Railways which the employees of that company felt were unfair. The mess the Post Office is in today is the result of the walk-throughs that the Post Office Department has implemented and that it requires its workers to carry out. The minister might quarrel with that expression, but I am referring to the new arrangement under which there is only one sortation of mail per day by the letter carriers, following which they go out on their walks and are not permitted to return to their post offices at noon. So I submit that in effect it is a walk-through that has been instituted.

The Postmaster General was quite correct in his statement on orders of the day this afternoon that the Freedman report recognizes that management has certain rights and that there are certain things that management can change. But the Freedman report also says that where there are essential or extensive changes in work patterns, changes that are made after a collective agreement has been signed with the employees should be subject to negotiation before they are put into effect. I readily recognize that there can be an argument over whether a certain change is minor or extensive, but surely the annoyance that has been felt by letter carriers across Canada over the change that has been put into effect is because, at least in their minds, they feel this is not a minor change but is in fact extensive change in their work pattern.

I submit that if the government has any respect at all for the Freedman report, this is a matter that ought to have been negotiated before the change was put into effect. But what have the Postmaster General and the Post Office Department done about the matter? The change has been put into effect without negotiation. A set of rules has been laid down that the workers must carry out. When the workers start to resist because they think these rules are grossly unfair and are really a violation of their contract, the Postmaster General takes the case to the Public Service Staff Relations Board to apply for permission to prosecute. It is now reported to us that these men may individually be subject to fines of $100 each for each day they are out, and that the unions themselves may be subject to fines of $500 a day. When the situation gets even worse and the response to these threats is for even more men to walk out and

refuse to deliver mail under duress, under these conditions, the minister says that it has now been agreed to skip two or three stages of the grievance procedure and have the issue adjudicated by a third party.

I suggest to the Postmaster General that this is precisely the wrong way to go about this matter. In the first place, you should not impose a change by arbitrary fiat, hand out threats, and then while insisting that the rules still be carried out have a so-called third party adjudication. I submit that if this matter is to be dealt with satisfactorily in terms of achieving good employer-employee relations, the Post Office Department ought right away to suspend these walk-throughs until there has been a chance for the employer and the employees to negotiate them, determine whether they are an acceptable pattern of work, whether they fit in with the machinery of the Post Office and whether they form lines of work that are reasonable for the men to carry out.

• (4:00 p.m.)

There is a good deal to be said for the challenge postal workers have held out to the Postmaster General in which they asked him to report for work at some specified place and go through the kind of day that has been proposed for them. Arbitrary rules are imposed on our workers. The department says that its actions will save the country $3 million and therefore the workers ought to like it. The net result is a worsening in employer-employee relations. Nothing can do more damage to our postal service than this kind of situation.

Even if the Postmaster General alleges that progress has been made in straightening out some situations in the postal service since he took over the department, he must admit that the present situation is not good and that the machinery within the department is moving slowly. Even though the department may be moving slowly, it is not moving in the right direction. The five-day delivery schedule is proving to be a failure, and service to the public is becoming worse. Various factors, such as higher costs and other changes the Postmaster General and his officials have tried to make, have contributed to that situation. But the basic, crucial factor we ought to consider is the matter of employer-employee relations.

In my view, the Postmaster General is going about his business in this area in the wrong way. Only this afternoon could he tell us about the third party adjudication which might take place. We do not know the terms and conditions under which this adjudication will be put into effect. I submit that for the government to keep to its walk-through rules while the matter is being adjudicated is not conducive to producing a good rapport between employer and employees in this important and vital service. Before the situation gets worse, I ask the Postmaster General to apply common sense to the matter of achieving good employer-employee relations in his department. The time to do this is now.

Mr. Ritchie: Mr. Chairman, in speaking on the bill to reorganize the government and among other things, set up a new communications department I must say that while we are providing for a great deal of new communication from the sky we are seriously neglecting the communications that may be delivered through small, rural post offices in the many small communities scattered across the country. The Post Office Department has set about with a vengeance to close many small, rural post offices and, in effect, to reduce service to rural people. I do not say that all rural post offices ought to be left open indefinitely. From time to time many of them will have to be closed. As a result of reorganization within the department many rural post offices will close. On the other hand, the closing of some of these post offices will bring little saving to the department. In such cases there will be reduced service to the patrons of the post office and, consequently, a reduction in service to the community as a whole.

I do not feel that the method of closing our rural post offices is fair. A decision to close a post office is taken only after there has been an investigation of the amount of stamps and money orders sold by that post office. The fact is that the stamps sold are used on only a small portion of the mail that passes through the post office. After all, the patrons of small post offices receive much more mail than they send and it seems only fair that the revenue from a portion of the mail received should be credited to that post office. Indeed, if the small rural post office is fortunate enough to be patronized by a business it has justification for remaining open notwithstanding the fact that the business in question could well use the post office of a larger centre.

Many patrons are being provided with a rural route service which costs between $18 and $20 for each patron. As labour costs rise, so will the cost of this service. Generally, once a post office has been established in an area,

patrons prefer its services to those supplied under the rural route system. The Postmaster General ought to take a second look at revenue considerations under which the department decides whether a post office shall be closed. Also, rural post offices should be closed more gradually. A definite formula for their closing ought to be established and the postmasters and people of the communities concerned ought to be given ample warning that this vital service is to be closed down.

So far officials of the department do not seem to have visited local post offices serving reduced numbers of patrons. There has been no suggestion to postmasters concerned that they should carry on in a lower category, so to speak, so that the remuneration received by the post office will be more in line with the service it provides.

Having made these comments, I suggest that drastic and sudden reorganizations at the local level have caused serious unrest. Many rural people feel the post office has written them off because they use it too little. After all, it is little use having the Post Office Department make substantial savings at the cost of not giving our people service. It also seems that the Post Office is making it difficult for rural people to receive magazines and farm periodicals. The increases in postage rates for these publications will cause severe hardships. Increases ranging between seven cents and twenty cents are the order of the day and, if continued, will dislocate the dissemination of the written word throughout these communities. True, increased postage rates for publications were overdue. Nevertheless, the department's sudden attempt to wipe out its deficit in this field can result only in serious dislocation to the detriment of the farming community.

Fewer periodicals will be published. The reduced volume of mail may increase the department's deficit beyond what has been projected. Mailing rates which have been severely and extensively increased will bring about drastic and sudden readjustments in all our industries. The government has relied on farm newspapers to disseminate much information to the farming community. Although it may be said that the government departments concerned should pay to have information disseminated to the farming community, such a step will take time. The net result of the postage increases may be a catastrophic decrease in the circulation of the printed word. We may lose more than we gain.

[Mr. Ritchie.]

The attitude of the Post Office to its workers leaves much to be desired. The Postmaster General's attitude, that he will prosecute the workers and unions, seems severe and inflexible. The working conditions of letter carriers have been drastically altered and more time is needed to iron out the problems of the five-day week.

Often the Post Office Department forgets that people are human, with personal needs that must be met. It seems that the department ought to adopt a more rational approach to the question of straight-through delivery. The department appears to be belligerent toward the workers and has not been willing to accept suggestions from the workers as to how these problems ought to be worked out. Straight-through delivery is a great change from what the carrier has been used to, and it will take the carrier time to become adjusted to this change. In many cases where washrooms facilities are not readily available the change may be impossible to effect. The unions' position is that straight-through delivery is a change in the terms of the labour contract. I think this is a reasonable attitude and one that calls for adjudication by third parties. I ask the minister to accept third-party adjudication as the best solution to the problem.

• (4:10 p.m.)

The minister's attitude seems to be very stiffnecked and uncompromising. It is the same attitude that he has displayed with reference to rural post offices and periodicals. Complete reorganization of the Post Office Department will take time. The minister should know that Rome was not built in a day. A more conciliatory and sympathetic attitude to the problems of the workers would stand the minister in good stead. I urge him to re-examine his whole approach to the problems of the Post Office Department.

The people of Canada would not fault the minister in any way if he took more time to make his changes in the postal services, many of which are good and necessary, but I point out that severe changes can cause dislocation even when they are right and proper. I would ask the minister to proceed more slowly. I believe the result would be much better. The people of Canada will not thank the minister for suddenly making the Post Office pay if the service they get is poor and inadequate. Both goals can be achieved gradually if the minister is reasonable in his approach to the problem.

Mr. Hales: Mr. Chairman, I take this opportunity to make use of the suggestion Mr. Speaker made to us earlier today, when we asked for adjournment of the house to debate the important issue of the threatened postal strike, that we would have an opportunity when this bill came before us. We are facing a very serious situation. We might be in for another postal strike. I sincerely hope the minister is dealing with the matter in the serious way that it requires.

I am surprised the Postmaster General did not realize what lay before him in the reorganization of the Post Office Department. I and many other members of the house do not understand why he did not sit down with the postal officials and say: Gentlemen, we are going to change the sorting arrangements. The postmen will sort all their mail in the morning and then deliver the whole day's mail. They will no longer return to the post office after lunch as they did previously and sort the afternoon mail. He should have asked his legal authorities this question: Is this in violation of the existing contract? Had he done so we would not be in the serious situation of being threatened with another postal strike.

The department's public relations have been poor. If the Postmaster General had given his full attention to these proposed changes rather than going about the country talking about NATO, about satellites and about new communications systems it would have been better, at least until his reorganization was working smoothly.

The people of Canada have been asked to pay higher postage rates. For this they expect better service. But instead they are getting worse service. Canada is the first country I know of that has endeavoured to deliver a week's mail in five days. The minister has tried to bulldoze this change through without the proper public relations and without the proper prior thought and study. Many warnings were given to the minister, but instead of allowing the issue to cool off he heats up the situation by making public threats to the staff. I hope he realizes how serious the situation is.

I am receiving many complaints about poor postal service, particularly from persons in the retail trade and more particularly from storekeepers in areas where stores are closed on Mondays. If a storekeeper gets a letter on Friday morning he cannot reply to it until the following Tuesday.

As an example I cite a jeweller who sends watches away to be repaired. If he does not get a watch back by mail on Friday he will have to wait until the following Tuesday. I maintain that the retail sections of our communities are entitled to six-day service. In many cases their very livelihood depends on the mail. Now they are told to rent postal boxes in the local post offices in order to get six-day service. If this continues many post offices will not be large enough to hold all the rented boxes. I beg the minister to give consideration to the retail outlets and business offices and provide them with better service.

I have also received many complaints about counter service in post offices. By counter service I mean the service given at the main counter on the main floor of a post office where there is the stamp wicket, the registration wicket, the C.O.D. parcels wicket, and all the rest down the line. What happens at this counter now on Saturdays? There are two workers in our post office on Saturday mornings and they have been given instructions not to do any business. They are there to hand out registered letters and parcels on receipt of cards left by the local postman on his rounds. But they cannot sell a stamp, they cannot weigh a letter or do other business of any kind. I say to the Postmaster General, either do business on the main floor with complete counter service, or close the place up. Let there be no half measure about it. If a post office is open let it do business at all wickets and not just one or two.

There is no reason in the world that we should not be getting next day delivery across the country. We get next day delivery from Europe and many other countries. But it takes two days, three days and sometimes four days for letters posted in Toronto to reach their destinations at London, Guelph and other places no more than 80 miles away. As I said previously when speaking on the estimates of the Post Office Department, we had better mail delivery in the days of the stage coach than we have today. There is something radically wrong, and I take this opportunity of bringing it to the minister's attention once again.

• (4:20 p.m.)

I shall not take any more of the time of the house. I regret that the Postmaster General did not sit down with these men and with the heads of his department to see whether there was any possibility that the existing contract may have been violated. If this had been

done thoroughly I do not think the Post Office would be involved in the mumbo-jumbo it seems to be involved in today. With these few words I shall sit down in the hope that the Postmaster General will be successful in smoothing out the problems with his staff so that better public relations will exist in the future. Then we'll have better service.

Mr. Skoberg: Mr. Chairman, in 1912 Sir Richard Cartwright said that no man and no party can be safely entrusted with uncontrolled power. I would hope that this is is not the reason we have received the answers we have received in the last while whenever a question has been asked concerning postal service. Some of the questions which were asked today were very sincere and sincere answers should have been given. Unfortunately one cannot help but be disappointed that the Postmaster General would use threatening language when dealing with a labour dispute and tell civil servants how they must bargain. Surely the federal government should lead the way in respect of collective bargaining in this country. I believe the Freedman report set the stage for this. I am very disappointed that the minister would stand up and suggest he is not prepared to allow freedom of collective bargaining to these people as it is recognized by the public service.

I am completely in favour of the bill passed by this house which allowed public servants to strike. I believe this is a human right of every individual and I believe they should be given this prerogative. With regard to changes in the working conditions of any employee, I do not agree that the federal government or management generally should take unto themselves the right to implement changes without first negotiating them. I ask the minister to give serious consideration to the remarks which have been made in this debate. I say that every individual has the right to free collective bargaining and that no new rule changes should be enforced until the persons concerned have had an opportunity to sit down at the bargaining table and take a look at the proposed changes.

I read in a newspaper that a private mail delivery service is to start in British Columbia and will move east. An editorial in the *Globe and Mail* for Tuesday, March 4, 1969, states:

> I believe that in four or five years it will be inevitable that private enterprise will take over the business of the post.

[Mr. Hales.]

I should like to ask the minister whether or not it is the intention of the government to turn over our postal service to private enterprise. I think there is every indication that a predominantly United States owned company which has been handling third class mail is moving into British Columbia and also moving east to provide the service which apparently we cannot provide. It is very unfortunate, after having built up the kind of postal service we have across this country, that we should be confronted now with a situation where we must consider a private mail delivery service. Considering the service we have had in the past I know that the public would not like to see this happen. I am sure also that the minister would not like to see it happen. Therefore I believe we should have an explanation in this regard.

I was also bothered by a report I read in a newspaper concerning the committee that dealt with the rate increases. The minister, who was present before the committee, is reported to have said that if publications are valued by their subscribers they will be able to raise their subscription rates. Then he said that though he was sorry to put it so ruthlessly he was prepared to see them cease publication. We are now dealing with the new Department of Communications. I suggest that what the minister said about the increase in postal rates being borne by the people who wish to have the publications is not in keeping with what is sought to be accomplished under this bill.

Dealing directly with the Department of Communications I should like first of all to congratulate the minister on the appointment of those who are to be responsible for planning, operation, regulation and research and development in the new department. I am sure, as he indicated in his speech of February 28, that these people are worthy of our support. I am sure also that every Canadian can be proud that we have people in this country who will devote their time and energy to ensuring that we will have something of which we can be proud in respect of satellite communications. There are a number of questions which come to mind which no doubt the minister will answer when he has an opportunity.

When he introduced his new department the minister indicated that it will be a small one which will reflect the growing importance of communications and the government's increasing involvement in this area. I am sure

all of us can appreciate the fact that the respective areas of the department can work very closely, but the prime objective of the department is to establish a national communications policy and program that will tie together all the disparate parts of Canada. I am sure everyone in Canada would agree that all parts of Canada should be tied together as closely as possible. Of course, if we use the analogy of the postal department we realize what was accomplished there is now being downgraded to the extent that one may wonder whether there is any sincerity in setting up another department and in the same breath suggesting that the disparate parts of Canada are going to be tied very closely together.

Part of the program of the new department will be a review of current telecommunications legislation. The Postmaster General has publicly admitted that our current telecommunications legislation is completely out of date and inadequate to meet changing needs. He stated in the house that not sufficient information is available to the public and especially to his new department from companies such as the Bell Telephone Company of Canada. One of my colleagues will have something to say about the Bell Telephone Company of Canada very shortly.

When we look at the various clauses of this part of the bill we see that the objective of the department is a good one. The idea of a Department of Communications is a good one. However, additional government reorganization is certainly necessary to make the new department really responsible for the growing importance of communications in the country. The present role is a very limited one. For example, most of the responsibility for present communications systems in Canada comes under regulatory agencies such as the Canadian Transport Commission and the Canadian Radio-Television Commission.

Under the satellite program the government commissioned Dr. P. M. McIntosh, general manager of the Bank of Nova Scotia, to submit a report advising the government concerning a plan for the corporate, financial and senior management structure of the domestic satellite communications corporation. Dr. McIntosh has handed down his report, but I understand it has not yet been released. I think it should be recognized that Dr. McIntosh has a background in private industry. I believe his recommendations regarding the new satellite corporation will permit extensive private industrial participation without sufficient public control. When I looked at the white paper issued some time ago it was my belief that there must be sufficient public control. It is up to the minister to ensure that the people of Canada really know what is going to happen in this field.

• (4:30 p.m.)

If we look at the pros and cons of the establishment of a satellite communication system in Canada we will see they are still quite complex and that there are many conflicting statements by government spokesmen in this regard. It may be useful to have a satellite communication system in Canada, but I personally consider that it is our obligation to see that Canada has control of this system. I am not prepared to agree with the proposal that we make use of the satellite projects of other countries and rent space. I believe we have the wherewithal and the technical knowledge to put a satellite in orbit for use by the entire nation.

We have to ask the minister certain questions and we will have to receive specific answers. We must have a direct comparison of the costs of a satellite system and a terrestrial microwave relay system. This is something we should know about. I realize that the minister said to my colleague, the hon. member for Selkirk, that such a comparison was increasingly difficult to make at this time, but in general the cost of a terrestrial microwave system is proportional to distance whereas satellite system costs are independent of the distance between earth stations. In any event the difference in price is something the minister should be prepared to estimate and inform us about at this time.

Let me return to the social aspect of our communications systems under the new Department of Communications. We realize that the minister indicated before the Standing Committee on Transport and Communications that the satellite system would be devoted to Canadian aims and objectives and would be programmed in a way acceptable to the Canadian people, their cultural requirements and needs. I suggest that with the present postal situation this social aspect may be a little hard to sell. Over the weekend I was in an area of central Saskatchewan where the post offices are to be closed on Saturday afternoons. I have drawn this matter to the attention of the Postmaster General, but it seems to me that somewhere along the line we have lost our understanding of the fact that in rural areas the people do get

together on Saturday afternoons. In central Canada Saturday afternoons perhaps do not mean too much. If you live in the west in some of these small areas you will realize that the people do mix socially on Saturday.

It is true that communication, in addition to that provided by the Post Office, helps to maintain communities such as we have in rural areas of western Canada, and we must have these communities if we are to retain this nation as we know it. I ask the minister to give serious consideration to the need to keep post office wickets open on Saturday afternoons in rural areas. This may seem to be a trivial matter but I assure the minister it is not trivial so far as the rural people are concerned.

It has been stated that a satellite television system would be able to blanket the rural and northern areas of Canada and thus attain greater unification of the country. Let me add to what I have said about communication in this country that it will remain united if the minister will give further consideration to the subject I mentioned previously. I realize that the trend now is for some of the people in rural areas to move to urban centres. Out in the west at this time the trend now is to move back to the rural areas. This was not evident ten years ago. You can travel throughout some rural areas at this time and see new homes, buildings and the like. I believe the social consequences have to be taken into consideration if we are concerned in this House of Commons about communication.

Another point which I think has been rightly referred to in the white paper concerns the limited space we have available in so far as the location of a satellite is concerned. This matter has to be dealt with on an international basis rather than in a hodge-podge way with each country going out as it likes into outer space. I hope the minister is successful in his efforts in this regard. I am sure he will agree that this should be an international arena in which every country would co-operate in respect of space and the location of satellites.

It has been said that with the construction of a satellite system there would be some spin-off benefits to the country involving the development of future markets. We must look very closely at what we are considering in this particular area. It is worthy to note that both of the firms which submitted design programs for the contractors included in their bids participation by foreign firms.

[Mr. Skoberg.]

For example, the bid by Northern Electric, which is a Canadian subsidiary of Bell Telephone, further complicates the question of responsibility and control and includes substantial assistance for Canadair Limited, an American subsidiary of Hughes Aircraft Company of California. The bid by R.C.A. Victor, an American subsidiary, includes additional assistance from Spar Arrow Space Products Limited of Toronto, a systems group of T.R.W. and Company of California. Northern Electric has stated that its proposal will achieve a 64.5 per cent Canadian content under the program. R.C.A. Victor has declared that its proposal will promote the participation of Canadian companies to the maximum degree feasible. In view of these statements I think we should pay particular attention to ensuring maximum participation of Canadian companies in the development of our satellite. The proposals are inadequate for two main reasons, one relating to foreign ownership and the other relating to private development and participation.

Considerable time and money have been spent in this country to determine what foreign ownership is really all about. We have had in Canada too many experiences in developing private industry expertise. It is only fair to state what I am referring to in this regard. We have had the experience of developing private industry expertise in the Canadian atomic reactor program under Canadian General Electric while at the same time Atomic Energy of Canada Limited, a public corporation, was involved in similar development.

A recent decision by the United States parent of Canadian General Electric has forced the cancellation of the atomic reactor program. Of course, the implications with regard to R.C.A. Victor and its development of a Canadian satellite system are especially important. It is worthy of note that all patents developed in Canada by Canadian R.C.A. are taken out only by the United States parent. I am sure the minister realizes the situation but I want to draw it to his attention. We should really look at the situation to see whether there is specific justification for government departments and agencies, such as the research and development branch of the minister's department and Crown agencies such as the National Research Council, Atomic Energy of Canada, and the Defence Research Board, to be involved in the construction of a Canadian satellite.

I am a great believer in the idea that we should use the facilities and the people we do have for development in this particular area, particularly for the Canadian satellite. I urge the minister to ensure that these various boards, committees and research councils will be used to their utmost in complete correlation on various programs. I ask the minister to pay particular attention to this.

Some of the research programs we have had in the past have actually been cancelled. This is why I believe there should be some question raised here as to what real development there has been and what exploratory talks have been carried out in respect of a communications satellite. Why have some of our other programs been cancelled in the past? Why was the intense neutron generator program cancelled last fall? Why has the government expended its oceanographic research program under the Minister of Energy, Mines and Resources? Why was the Queen Elizabeth telescope project in British Columbia cancelled after millions of dollars had been spent? It was completely wiped out by the stroke of a pen. I think the minister should explain these moves very thoroughly when he answers the questions put to him.

Which department is responsible for industrial research and development programs? Once again we are getting into a situation where we have to ensure that there is complete responsibility in a particular department. We have seen too many varied programs being carried out without parliament knowing whether a department has complete authority in a specific area. I suggest that the minister give us some answer in respect of this particular phase. It is in this area that government scientific research is quite literally chaotic. I say this with all sincerity because, as the secretary of the Treasury Board said some time ago, the national science policy is determined by accident. I am sure that no one in the house would like to see a new department set up that would determine policy by accident.

• (4:40 p.m.)

In closing, Mr. Chairman, I again urge the minister to realize that in the communications field the Post Office and the satellite communications system about which we are talking will have to work together to be of the utmost benefit to the people of this country. It is fine to say that we are going to cover the north to the south and the east to the west with a satellite communications system, it is fine to say that we will have tracking stations and the wherewithal with which to provide television coverage and all the other types of coverage necessary for an effective communications system, but we must not allow our main method of communications to deteriorate.

I refer, of course, to the postal service. In his speech of February 28 the minister referred to bulletin boards in post offices and said that while communication unites people it can also isolate them. I agree completely. The minister then said:

> It was in this context that I recently threw out the idea of using our nation-wide complex of post offices as locations for communication centres, perhaps by bulletin boards, perhaps by a system of hot-line telephones by which individual members of the public could communicate directly with their government.

I hope that the few post offices left in the rural communities will not have bulletin boards installed where an attempt will be made to post bulletins from hot-line telephones and our new communications satellite. The people in the country using post offices now want to see the written word and are not prepared to see inaugurated a system which would mean they could communicate only by picking up a hot-line telephone. I am sure we are many years away from such a system. I am also certain we are still in the era where we must have an efficient postal service. I subscribe to the new department; I subscribe to the new communications system and commend the minister for the appointments he has made in this field. I wish him well in this area. But unless he changes his tune in so far as the Post Office Department is concerned, I am sure he will not have the support of the house for the new department.

Mr. McGrath: Mr. Chairman, part II of this bill affords hon. members an opportunity to discuss what some of us consider to be a matter of urgent public importance. My colleague, the hon. member for Hillsborough, very clearly and succinctly outlined in his remarks today on his motion to adjourn the house under Standing Order 26 why it is a matter of urgent public importance. It is one of urgent public importance because what is happening poses a serious threat to a vital public service in this country, that of the delivery of the mails.

In my view this threat stems from the minister's intransigence and stubbornness in handling this matter. Because of the minister's attitude and the stand he has taken the Post Office Department, which has afforded

good service in this country for the last 100 years, is in turmoil. It is in turmoil because we have a Postmaster General who does not seem to understand the fundamentals of good labour relations. The minister cannot say that he was not warned about this situation. The hon. member for Hillsborough, hon. members of the N.D.P. and other members of the opposition have raised this matter day after day in the house. Indeed, on February 28 the Council of Postal Unions issued a press release which was circulated to all members of the house, again warning the minister. I will read briefly from that press release which is over the signatures of the co-chairmen of the Letter Carriers Union of Canada:

> The Postmaster General has made public statements that morale is high in the Post Office. He insinuates that there is good dialogue between the union and management. He states at times we are in agreement. However, on the most important issue regarding the new system of delivery he fails to inform the public that the situation is explosive.

That warning from the postal unions came on February 28. It might be worth while if I continued quoting from this release:

> Mail service in the meantime is deteriorating. Inefficiency is fast becoming the new guide to operation.

I quote another part of the press release:

> We have no objection to a five-day delivery week. Our dispute is with management's interpretation of the collective agreement. The action we have directed our members to take is in our opinion, and in the opinion of our legal counsel, in accordance with the contract.

It is obvious that a crisis situation has developed in this very important and essential public service. We have already experienced the drastic consequences of one strike in the Post Office and we know the suffering it imposed on the Canadian people. We are now perhaps on the threshold of another strike because of the minister's stubbornness in dealing with this matter, because of his refusal, I submit, to consult his colleague the Minister of Labour who has had such success in these matters. I can only assume that he has not consulted the Minister of Labour because I cannot for the life of me believe that the Minister of Labour would have consented to the provocative and threatening statements made by the Postmaster General, which are causing a threat to the mail service of our country and have already caused a most serious crisis in this very essential service.

Instead of trying to cool the situation, in stead of trying to talk calmly to the people involved, the minister takes to the public press and threatens the unions. I ask the Minister of Labour, how successful would he be if he adopted this attitude? How successful would he have been in settling some of the very serious threats to public services which he has successfully handled if he had resorted to threats of prosecution in the public press? The Minister of Labour knows that this is not the way to settle labour disputes. He knows this is not the way to bring the parties together in order to reach agreement.

If there is a curtailment in this essential service, if the service does cease, we can blame only the Postmaster General for the attitude he has taken throughout; the consequences will rest on his shoulders. I am sure the minister realizes the consequences of a disruption in the mail service. The old age pensioner suffers, the disabled suffer and our veterans suffer because they do not receive their pension cheques. The average working man and woman of this country suffer because they lose a service which is essential to the running of the country, a service which I submit has been carried out effectively and efficiently for the past 100 years.

Perhaps the reason for the difficulties in the Post Office today stems from the fact that we have a Postmaster General who has his head in the clouds. He seems to be more concerned with satellites than with mail delivery.

Mr. Baldwin: And with NATO.

Mr. McGrath: And, as my colleague interjected, with NATO and trying to do the job which the Minister of National Defence is being paid by the Canadian people to do. I suggest to the Postmaster General that he leave NATO to the Minister of National Defence and that he pay more attention to the essential postal services before he gets too far in the clouds with satellites and communications. As I say, the consequences of a disruption in the postal services are serious because they inflict a hardship on the Canadian people, on old age pensioners, on our war veterans, on those receiving disability pensions, and on the working men and women of this country.

• (4:50 p.m.)

There are problems in the Post Office which would not provoke the type of statement that the Letter Carriers Union was obliged to make on February 28. There are areas in this country where the postal service has not been improved in the past 50 years. In my own

city of St. John's which has more than doubled in population in the last 20 years, we still have the same postal services to serve a population of 100,000 that we had to serve 50,000. These are some of the serious problems with which the minister could come to grips instead of issuing threats to the unions. He should be consulting with his colleague, the Minister of Labour, and he should in fact be sitting down at the negotiating table and taking some tips from his colleague to try to smooth out the situation because this is the only way it can be done.

The minister referred to calling on a third party to deal with the dispute. I hope he will elaborate on this point and let us know exactly who the third party will be who will participate in this regard.

This matter is so serious that we feel obliged to bring it to the attention of the house. We believe that the postal services are essential to the people of Canada, and if there is a disruption in the services I submit it will be because of the intransigence and the provocation of the Postmaster General.

Mr. Hees: Mr. Chairman, I have great respect for the Postmaster General who was my predecessor as president of the Montreal Stock Exchange and did an excellent job there.

Mr. Baldwin: He should have stayed there.

Mr. Hees: He has many admirable abilities, one of which, however, is not the ability to handle labour relations. This is no fault of his because, like the previous minister of labour, Mr. Nicholson, the Postmaster General has had no training in the ranks of labour. Rather he has been trained in the classroom and the boardroom, and if one is brought up with that type of thinking one is not in a position to understand the needs and aspirations of labour, the way labouring men think and the things to which they aspire. A man who has not been brought up in the labour movement does not know how to do the most important thing in labour negotiations, that is, to sit down with the workers concerned on an equal and friendly basis and be considered by them as a friend and not as somebody who comes from another stratum of society. He should be able to be trusted by the working man because he has always been on the same side of the fence. I say to the minister that in my view he is not in a position through no fault of his own to handle the present labour negotiations.

In the past few years we have had good ministers of labour such as my former colleague, the Hon. Michael Starr, and the present labour minister. Why have they been good labour ministers? Because they came up through the labour ranks, they understand labour's point of view, they know how to talk to working men, and they are trusted by them. In the early days they were in the rank and file of labour. That is why Michael Starr was a successful labour minister, and the same is true of the present Minister of Labour who is doing a good job. I am glad to be able to say this about him.

I say that in order to work out differences like the present one in the Post Office we must have somebody who has the confidence of postal workers, who can sit down and talk to them as an equal and talk to them in their own language. I believe that if the Postmaster General continues to conduct these negotiations in the present manner because of his lack of knowledge of any other approach through no fault of his own, which I can only describe as a bull in a china shop approach, we are going to have a very serious and lengthy strike of the postal workers of this country.

I urge the minister to take action in the interests of bringing to a close what I believe is a serious labour dispute that will have grave effects on the country for a long time in the future if it is not brought to a sensible conclusion as soon as possible. I urge him to hand over these difficult negotiations with the postal workers to the Minister of Labour who, I believe, has the ability to bring this matter to a quick and sensible solution which will be fair, equitable and satisfactory to both the government and the postal workers. In this way our postal communications can continue in a regular, satisfactory and uninterrupted manner.

The Chairman: So that the house may proceed to the consideration of private members' business I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Meadow Lake (Mr.

Cadieu)—Power—Uranium City—Electrical service supplied by utility company; the hon. member for Winnipeg North (Mr. Orlikow)—Science Services—Ministerial responsibility for policy the hon. member for Surrey (Mr. Mather—Post Office Department—effect of rate changes on non-profit publications.

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.

NOTICES OF MOTIONS

HOUSE OF COMMONS

SUGGESTED INTERNSHIP PROGRAM FOR POLITICAL SCIENTISTS AND OTHERS

On the order:

Mr. Hales—That in the opinion of this House, the government should give consideration to the advisability of establishing a form of internship program in the House of Commons; the purpose of said program being to better equip outstanding young political scientists, journalists and law school faculty members, with a better understanding of the national legislative process; the participants to be brought to Ottawa for six to nine months of full-time work as assistants to members of the House of Commons and to be paid a minimum stipend financed by the government and an established grant, competition for the fellowship to be made each year, announced to coincide with the opening of a session.

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise at this time to ask for the unanimous consent of the house so that my resolution concerning internships, appearing on the order paper today as No. 40, may be referred to the Standing Committee on Procedure and Organization without debate.

Mr. Deputy Speaker: Is that agreed?

Mr. Forest: I believe there is unanimous consent to the following motion and I would like to move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the said proposed motion be deemed to have been withdrawn and that the Standing Committee on Procedure and Organization of the House be empowered to consider and report upon the provisions thereof.

Mr. Baldwin: Mr. Speaker, it is a delight to find a government motion to which I can give my name as seconder.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is unanimous.

[Mr. Deputy Speaker.]

Mr. Deputy Speaker: I take it the motion is agreed to.

Some hon. Members: Agreed.

Motion agreed to.

• (5:00 p.m.)

Mr. Forest: I believe there would be unanimous consent to stand in their places notices of motions Nos. 28, 29 and 30 and to proceed today with notice of motion No. 31.

Some hon. Members: Agreed.

THE CANADIAN ECONOMY

NORTHWESTERN SASKATCHEWAN—SUGGESTED ROAD, RAIL AND BROADCASTING EXTENSIONS

Mr. A. C. Cadieu (Meadow Lake) moved:

That, in the opinion of this House, the government should give urgent consideration to all means of developing areas of great potential value to the national economy, in particular northwestern Saskatchewan, and that, in this regard, special attention be directed to provision of an all-weather road link between the La Loche area and the area of Lake Athabasca; provision of an east-west railway link, north of the North Saskatchewan River, between Frenchman Butte, Saskatchewan, and Heinburg, Alberta, and provision of an adequate television broadcasting service to the Buffalo Narrows, La Loche, Ile a la Crosse and Pinehouse Lake areas.

He said: Mr. Speaker, I hope the wording of this motion will convey clearly that the proposals it contains are not concerned simply with a constituency problem or even with a regional problem but that in a very real sense they concern the economy of the nation. The motion before us is of vital importance to northwestern Saskatchewan and to those who live there. It is of the greatest interest to the people and to the area of northeastern Alberta. But above all it has urgent meaning for Canada and for Canadians as a whole.

I wish to stress that in pressing for developments which concern my own province of Saskatchewan I am not being selfish or representing narrow regional interests alone. These proposals should not create any sense of rivalry. I look upon the suggestions contained in this motion as matters of basic mutual interest. It just happens that the greatest and most pressing development needs arise largely in northern Saskatchewan. By bridging this development gap we shall be integrating development already completed or under way in northern Alberta, and by bringing the forgotten land of northern Saskatchewan fully into the life of the nation we shall be building a stronger Canada.

I believe it is fair to say that the people in the region between Meadow Lake and Lake Athabasca have, up to now, been cut off from the mainstream of provincial and national life. They have been deprived of social amenities and of economic benefits. They have, in fact, been allowed to languish as second-class Canadians. The fact that many of them happen to be either Indians or Métis has given added emphasis to the recent complaints of this group of Canadians that they have received a shoddy deal from government. They want work, steady wages and a share of our increasingly affluent society. They do not choose to present a problem; they simply seek equal opportunity of equal treatment. Circumstances beyond their control have turned them into a problem. In my view, the only way their urgent needs can be met is through sound development which will bring them into the life of the larger community of their province and their country.

There are three main means of preparing the ground for this necessary and valuable work. First, certain strategic railway links must be constructed. Second, at least one vital road connection must be built. Third, adequate information and entertainment must be provided for the people of the area by means of both television and radio programming.

Northwestern Saskatchewan suffers today from two great transportation gaps—the absence of an east-west railway link north of the North Saskatchewan river, and the absence of a highway connection between the economically developed southern and mid-section of the province and the northern development areas around Lake Athabasca and beyond. In both these fields of transportation the adjoining province of Alberta is fairly well advanced. Saskatchewan has not kept pace. If this rail and road development were carried out in Saskatchewan and tied in with existing transportation facilities adjoining, the benefits would be immense and truly national. The area I am talking about is one of fabulous mineral wealth and holds a tremendous potential not yet tapped. It has rich agricultural and forest resources lying idle just awaiting development. The tourist potential is almost limitless. But realization of all this development rests on the provision of adequate road and rail transportation.

In northwestern Saskatchewan, our roads go no farther north than La Loche and Turner Lake. Our rail links with Alberta north of the Saskatchewan River come to a dead end at three points and are little more than useless appendages to the main lines. Both these systems could be made main routes and productive routes with a minimal expenditure of effort and money.

On the Alberta side of the provincial border, railway lines extend now to Fort McMurray and away north to the rich mineral areas on the south shore of Great Slave Lake at Pine Point. Alberta highways extend even farther north. The Mackenzie highway goes to Hay River and thence to Fort Providence and Yellowknife on the north shore of Great Slave Lake, and south and east to Fort Smith at the western end of Lake Athabasca. A road is projected from Rae, near Yellowknife, northward to Port Radium on Great Bear Lake, almost to the Arctic coastline. Also planned is extension of the Mackenzie highway down the length of that river to the Arctic Ocean. This is a tremendous transportation network. Unfortunately it misses its full potential because there has been no matching and integrated development east of the border in Saskatchewan.

Aside from the need for roads and railways to assist in the industrial development of this vast northern region, highways, particularly, are a necessity if the tremendous promise of the tourist trade is to be realized. Wood Buffalo Park already exists south of Great Slave Lake down to the western end of Lake Athabasca. It is approachable now by roads developed in Alberta. Now plans have been announced to open another national park at the northeastern end of Great Slave Lake to be known as Great Slave Lake National Park. Because of its special nature this park is expected to be one of the outstanding parks on the North American continent and a sure-fire tourist attraction. But both parks will continue to be served only by a one-way road unless steps are taken to complete a great circle road route by matching highway construction on the Saskatchewan side. This is why, Mr. Speaker, I have stressed the co-operative, mutual benefit aspect of the developments I suggest in this motion.

I shall not dwell too long on the need for a railway link between the Prince Albert-Meadow Lake region and the Fort McMurray and Edmonton areas of Alberta, north of the Saskatchewan River. The smallest gap, and the one most easily bridged, lies between Frenchman Butte in Saskatchewan and Heinsburg in Alberta. Construction of 38 miles of line here would effectively link up two railway networks presently providing

less than half their potential through lack of such integration. I have spoken of this need at length before. My remarks may be found at page 11761 of *Hansard* for January 13, 1967, and at page 6096 of *Hansard* for January 29, 1968.

I have spoken more than once, too, of the urgent need for a modern, all-weather road connection between the natural service triangle of Prince Albert-Saskatoon-Meadow Lake and Lake Athabasca. This could easily be provided by extending the existing roads from either La Loche or Turner Lake up to Fond-du-Lac and thence to Eldorado and Uranium City. As things now stand, these roads are dead ends, and the people and untapped resources along them are at a dead end. These roads are a vital necessity both for bringing tens of thousands of deprived Canadians into the life of the nation and for opening up this treasurehouse for the benefit of all Canadians. It will never be done by allowing rail lines and highways to remain mere fingers extending into the wilderness, grasping nothing and leading nowhere.

• (5:10 p.m.)

The rail line I mentioned earlier, for instance, could open up the Paradise Hill and Frenchman Butte country, an area with a tremendous agricultural potential. This would benefit not only the economy but would assist the native Indian people of the Seekaskootch reserve to solve some of their urgent social problems.

The road north to Lake Athabasca would go a long way to solving many of the difficulties now facing the Indian and Métis people of that area. Many people are experiencing growing concern about life in centres such as Buffalo Narrows, for instance. Many of the problems present in such centres would be greatly relieved, if not solved entirely, if adequate highway facilities helped to open up the area and provide the opportunity for steady work and steady wages.

Finally, Mr. Speaker, I would like to mention the absolute necessity of providing for the thousands of people in this forgotten area adequate television and radio service. Steps have been taken to alleviate this condition by the provision of television service for the people of Uranium City. This was a welcome and progressive step. But unfortunately it did not go far enough. Between Uranium City and the Meadow Lake area there are thousands of Canadians without even the basic radio and television service. While most Canadians enjoy coloured television and a wide choice of programs in both colour and black and white, my people have nothing but an inadequate radio broadcasting service. An adequate service is something they are entitled to under provisions of the federal statute and have a right to demand as Canadian citizens.

Until the sort of development I have briefly outlined today is undertaken in the forgotten region of northwestern Saskatchewan, a large number of solid, responsible, taxpaying citizens will remain branded as second class Canadians. Until such development is seriously pushed by the federal government in cooperation with the province, thousands of Canadians will be denied work and forced to eke out a frustrating and soul-killing existence on public relief measures. Until such development is undertaken, Canada's national economy will continue to struggle along without the vast riches in exports and tax dollars that lie waiting in the north to be put to use. I believe such a development effort as is suggested in this motion is a heavy obligation on the government of Canada on social and economic grounds, and also in the interest of equity and justice.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I am happy to have this opportunity of speaking on the motion proposed by the hon. member for Meadow Lake (Mr. Cadieu). Commenting briefly first about the suggestion that a highway or road should be built from La Loche to the Lake Athabasca area, I would like to confirm the statement that this route has been pioneered on a winter basis by businessmen of the Meadow Lake area. They have proven that the route is feasible. My understanding is that this pioneering began during the time of the previous Conservative government, which for some reason chose to develop the much more expensive and roundabout route that has been partly constructed some distance east of the route proposed by the hon. member. It is perhaps not too late to correct the mistake made some years ago. In fact, I have been told that the Saskatchewan government is seriously considering making a start on this road north of Meadow Lake. I would hope that the federal government would agree to share in the planning and costs of this project.

I also believe that the proposition that a rail line be built to connect Frenchman Butte, Saskatchewan, with Heinsburg, Alberta, is worthy of serious consideration. The hon. member for Meadow Lake is also pleading for

adequate T.V. service to the remote communities of this district. The Postmaster General (Mr. Kierans) is planning a communications satellite which I am confident will make it practical to extend T.V. service to all areas of Canada. In fact, this is one of the main purposes and benefits of this imaginative project.

Some derogatory comments were made in the house this afternoon with regard to the Postmaster General's concern about the satellite program. I am sure the people of these areas who cannot share in some of the amenities enjoyed in the more populous areas of this country are very interested in the early operation of the communications satellite so they may feel that they are equal partners in this Canadian nation.

In further commenting on the motion of the hon. member for Meadow Lake I would like to emphasize that the present government recognizes the urgent need to take a comprehensive look at the problems and potential of various regions of Canada and, in close cooperation with the provincial governments, to assist the people in these regions to develop their resources and raise their incomes to levels comparable with those of other Canadians. It is for this reason that the government is forming a new Department of Regional Economic Expansion to be responsible for regional development. This new department will provide the organization at the federal level necessary to the mounting of a coordinated effort to solve the problems of the underdeveloped regions and areas of Canada.

In the case of northwestern Saskatchewan it has been recognized for some time that the economic returns to people in this area have generally been poor. There has been some agricultural development as far north as Green Lake but this has been characterized as a marginal production area because of a combination of low fertility and poorly constructed soils, adverse climatic conditions, high development costs and limited credit. The lumbering and fishing industries, although significant to a few people, have generally been ineffective in providing substantial levels of income to the majority of the people.

Many different types of programs have already been undertaken to assist in the social and economic development of the area. While much remains to be done, I think it might be useful to comment briefly on some of the activities now under way. For the purposes of my comments I will be referring to the Meadow Lake district, local improvement districts 974, 980, 983, 986 and 989, and the area along the line from Green Lake to La Loche. These districts are in the southern portion of the general area described in the hon. member's motion.

The soil resources of this area are rated poor to good from an agricultural production point of view. Early settlement in the area tended to locate in lighter soil areas which more recently have proved unsuitable for cereal production. There is now, therefore, some removal to uses such as pasture and forestry. Crop records show a return of approximately 18 bushels per acre, but this yield should show a gradual improvement as lower quality land is removed from cereal production and better quality land is brought into production.

In an effort to utilize such better quality land, the province of Saskatchewan, with federal assistance under the Agricultural and Rural Development Act, implemented a few years ago an incentive program which made grants of $3.50 per acre available for land clearing. From 1966 to the present time, 216 farmers have cleared a total of 7,023 acres of land for agricultural production in local improvement districts 980, 983 and 989.

Some good quality soil is located in low lying wet areas and some effort is being made in small areas to help farmers protect their lands from periodic flooding. One example of this is in the Rollo Park area where works have been constructed with ARDA support to assist some 60 farmers and to protect 9,700 acres of land. This land is primarily used for fodder production which, along with blueberry pasture, forms a substantial base for livestock production in the area.

• (5:20 p.m.)

As I mentioned earlier, some low productivity land is being removed from cereal production and is primarily being used for forage production. Under the ARDA program some 9,600 acres of farm land has been combined with 31,400 acres of Crown land for pasture development. Seven pastures have been organized or expanded and 20,860 acres have been seeded to grass, with a potential carrying capacity for 10,450 head of cattle. In addition to these pastures, two hay production projects have been established utilizing 1,440 acres of farm land and 3,380 acres of Crown land on which some 6,400 tons of hay can be produced annually.

The area which I have been discussing, however, is only a small part of a large problem area. To illustrate the magnitude of the

problem I might use the example of the alternative land use program, also supported by ARDA, in the area south of Meadow Lake stretching to the North Saskatchewan River and, in the east, to the Prince Albert National Park. Twenty pastures have been developed in the area utilizing 81,942 acres of Crown land and 36,980 acres of farm land purchased because it had low cereal production capability. The pastures have been fenced; 51,769 acres have been developed and seeded to grass and it is expected that some 22,690 head of cattle can be grazed each year.

I might also mention that the farm people are attempting to make their lives somewhat more pleasant in the Meadow Lake area. Some 117 farm homes have been provided with water under the Saskatchewan family farm improvement branch program which provides technical service, materials at cost and incentive grants under the farmstead water and sewage program. This has also been an ARDA supported program.

As I have indicated, however, the use of land for agriculture is limited; the full dimension will be more clearly identified when the Canada land inventory maps of soil capability for agriculture are completed and published. The same can be said for forestry, recreation and wildlife development in the area, although it is recognized that there is a tremendous potential for these enterprises because of the vast forests and numerous rivers and lakes in the area. Until the capacity is clearly identified, it is difficult to discuss or to plan the type of communication system most suitable, particularly the road system. However, new roads are being developed and resources development is progressing, particularly in the field of recreation. This development is taking place in accessible areas and in areas where the demand for facilities is increasing for the tourist and hunter.

ARDA has participated in the cost of developing facilities for camp grounds and picnic sites in such places as Meadow Lake Provincial Park, Kimball Lake, Pierce Lake, Greig Lake, Jumbo Lake, Makwa Lake, Chitek Lake, Loon Lake, Green Lake, Canoe Lake, Brightsand, Doré Lake, Little Birch, Ile-a-la-Crosse, La Plonge, Little Amyot Lake, McKay Point, La Loche and Little Peter Pond.

To attempt to plan a program of development for the social and economic betterment of the people in the area of Green Lake and north is a complex undertaking. The potential for development in the traditional use of the natural and renewable resources is somewhat limited and knowledge of these resources is inadequate. The Canada land inventory will be of some help but further specific study is required.

It is known, however, that the capability of the people of the area to take on new activities is in need of development. They have limited experience in work other than hunting, fishing and some lumbering, and the educational level is, generally speaking, quite low among the adult population. An attempt is being made to stimulate and assist people to acquire academic skill and vocational training. Some of the agencies involved in this effort are the Saskatchewan Department of Education, Saskatchewan Department of Natural Resources, Saskatchewan Department of Agriculture, Canada Department of Manpower and Immigration, and the Department of Forestry and Rural Development, the name of which is to be changed.

During the winter of 1968-69 four courses under the occupational training for adults program have been scheduled for Meadow Lake, with a capacity of a total of 144 students. The Saskatchewan department of education is sponsoring six courses of educational upgrading for Canoe Narrows, Meadow Lake, Loon Lake and Big River, with a capacity of 100 students. Under the vocational rehabilitation of disabled persons program, nine courses with a capacity of 135 students have been scheduled for Green Lake, Beauval, Buffalo Narrows, Ile-a-la-Crosse, La Loche, Pinehouse and Uranium City.

One particular project under way in the area which is of particular interest is a study of the feasibility of growing wild rice, which could provide a new economic opportunity for people of Indian ancestry in the north. In 1962 a project was designed to do research into the characteristics and growth habits of wild rice in northern Saskatchewan. Interest had been stimulated by the fact that wild rice was growing at Limestone Lake, Potato Lake and Nemeiben Lake, presumably from 1935 plantings, that there was a good demand for the product, that the product was returning significant economic returns to people in Manitoba, Wisconsin and Minnesota, and that wild rice was a muskrat and duck feed and indirectly could affect incomes by stimulating increased muskrat and waterfowl populations. The research or study included an investigation of areas where wild rice is growing, a survey of the area between the southern boundary of the forest and the Churchill River to identify areas which have characteristics

similar to areas growing wild rice, a study of the methods of propagation, and a study of a marketing system.

The implementation of this project has been a co-operative effort between the Saskatchewan department of agriculture and the Saskatchewan department of natural resources with, since 1964, cost sharing assistance from ARDA. Since the program started, seedings have been made in a great number of locations such as La Loche, Buffalo Narrows, Pinehouse, Nemeiben Lake, Stanley Mission, Limestone Lake, Cumberland House, Deschambault and La Ronge. It is too early to tell the extent of the success, but production records show a steady annual increase.

To date Indian people have been hired for seeding and harvesting, and for the harvesting they receive from 30 cents to 50 cents per pound. The next four to five years should provide useful information as to the future possibility of this crop and its significance as a source of income for the people.

I have been describing some of the programs and projects that are under way at present in northwestern Saskatchewan. These projects are contributing to the social and economic development of the people and resources in the region. Moreover, it will now be possible under the program of the new department to take a much more comprehensive and co-ordinated approach to the development of this and other regions so that all of the people can realize their full potential and take an active part in the full development of the resources of the region.

May I conclude, Mr. Speaker, by saying I am fully in agreement with the principle involved in this motion, which is to press on with the development of the tremendous resources of our great northern areas.

Mr. John Burton (Regina East): Mr. Speaker, since there is a bill before the house dealing with reorganization of government departments I think the subject matter of the motion in question is most timely. It deals with regional development and regional economic expansion. The hon. member who has just resumed his seat drew the attention of the house to his own constituency, pointing out that that was an area to which regional development and economic expansion programs might be applied. The examples cited by the hon. member show that there are many areas in this country where our people could benefit from an application of the principle of regional development. The existence of many of these areas fully illustrates the folly of those who think only in terms of the development of areas containing large centres of population.

• (5:30 p.m.)

Briefly, I would like to examine some of the ingredients necessary to an adequate development program, particularly a program applying to this particular area of Saskatchewan with which I have some acquaintance. As the hon. member for Meadow Lake (Mr. Cadieu) pointed out, much of the economy of this part of the province is agricultural. Some areas have a good agricultural potential. Parts are developed, but further development remains to take place. Other areas are submarginal in terms of their agricultural capacity and development potential.

Parts of this constituency have been settled by people who in years gone by were driven north by the dry spells in southern Saskatchewan. These people settled on small tracts of land, and many of them have been trapped there. Of course some succeeded in getting out through employment in war industries during the war years, while others have joined the urban migration that has taken place since that time. However, many still live there under submarginal conditions, and up to the present governments have made limited progress in providing them with an adequate opportunity to earn a decent standard of living.

In 1964 the then provincial government passed an act, the Agricultural Development and Adjustment Act, designed to help these people take full advantage of the federal ARDA legislation, by having the provincial government work closely with federal authorities in carrying out a full scale development and rehabilitation program. But the subsequent change of government in Saskatchewan resulted in little use being made of the provincial act. One rural development program had been initiated by the people in the area and it was making progress. However, it never really developed to its full potential because of the inertia of the provincial government since 1964.

As the hon. member for Meadow Lake also pointed out, there is a large population of Indian and Métis ancestry in the constituency. Some progress has been made in providing better public facilities for these people, and some of them are making good progress in terms of economic and social standards. At the same time, we need to measure whether such programs are adequate. We must also guard against certain types of inflammatory statements that are made on occasion, but

certainly not by the hon. member for Meadow Lake today, statements that can lead only to misunderstanding of the true nature of the situation that exists.

Attention must also be paid to the development of adequate local government facilities. in Saskatchewan, the form of rural local government is antiquated, with one notable exception. I am thinking of a local government established under unique circumstances, but developed in a very rational and adequate manner to meet the needs of the community. I refer to the local government established in Uranium City, a new mining community developed as a result of uranium discoveries during the 1950's. The provincial government of that time assisted in establishing a fully integrated form of local government to meet the needs of the people of that area.

Reference has been made to transportation problems. The hon. member mentioned road problems, and of course there is a need for further roads leading into the north. When the roads to resources program was initiated it was suggested that the main road to northern Saskatchewam should be routed through some of the area referred to by the hon. member. However, as a result of the consensus of all government authorities of the day, it was agreed that in consideration of the geographic and economic situation of northern Saskatchewan, the main road to the north should follow a route further to the east. This poses problems for the area in which the hon. member is interested.

Road facilities have been established as far as the community of La Loche, providing valuable service to the local people. Reference was made also to the need for a railway into the north. I must express considerable sympathy with this suggestion, but I caution against referring specifically to locations along the proposed railway route. However, it is necessary to stress that economic development requires railway development.

It is essential for the future economic welfare of Saskatchewan and its north that a railway be constructed into the north to enable Saskatchewan to gain full advantage of mining developments that will undoubtedly come in the future.

The hon. member for Meadow Lake also mentioned local grievances with respect to railways. People in this part of the province have suffered as a result of things done in past years. Railways were started, partly constructed, and then construction stopped. Rail spurs have been left almost in the middle of nowhere rather than being extended to areas where people have been living under poor conditions far removed from transportation facilities. This is an example of people being made the victims of unplanned development. This and other areas of the country illustrate the need for adequate planning in our development policies, and adequate preparation to put programs into implementation.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am very happy to lend my approval to this motion moved by the hon. member for Meadow Lake (Mr. Cadieu) who, over the years, has been a consistent and hard working advocate for the proposals contained in his motion. I am quite confident when, through the modified 1969 pony express now being operated by the Postmaster General (Mr. Kierans), word of this motion gets back to his constituents he will have the support and approval he truly deserves. I believe I am entitled to say something in this regard as a member of parliament from the adjoining province, Alberta, and as one who has lived in the north and has experienced similar conditions. I assure hon. members that I will finish before six o'clock so that the support which I know the hon. member's advocacy has generated in this house will lead to the adoption of the motion. Then the next steps will have to be taken by the government.

• (5:40 p.m.)

I also lived in Vegreville, and the hon. member for Vegreville (Mr. Mazankowski), a member of this party, has been a proponent of these proposals. He has spoken very vigorously in committee of the desirability of achieving what the hon. member is asking. I know a good deal about this in principle, because it is the sort of thing that brought me to this house. In 1956, at a convention of this party which selected the right hon. member for Prince Albert (Mr. Diefenbaker) as leader of this party, I remember that we discussed very extensively the question of northern development and the road to resources program. At that time I was successful in moving from the floor an amendment. Our party is one which allows a degree of change at its conventions. Our platform is not dictated from the top, and we even encourage members to suggest changes in policy.

In respect of the road to resources program, since I came from a district which had for 35 years been promised the type of rail expansion which is referred to in the proposal of the hon. member for Meadow Lake (Mr. Cadieu), I moved an amendment which was adopted and ultimately became the subject of discussion in this house. One of the first suggestions made in 1958 dealt with the question of the extension of services into the

northern part of Alberta and the territories. I am glad to see the Minister of Public Works (Mr. Laing) here. I give him full marks. During his tenure of office as a minister of the Crown with a responsibility in respect of the north, he was very interested and went up there on many occasions. I believe he should be paid a tribute. Consequently, when I see an hon. member such as the hon. member for Meadow Lake pleading his case before the house I cannot help but concur with him. There is a problem in this country. The hon. member for Meadow Lake and other hon. members have touched on it.

We are now seeing a movement in the central part of this country at an unprecedented scale. We have always had this movement before, but it has been aggravated by the growth of the large metropolitan areas. We had a debate the other day in respect of housing. Housing, sanitation, water and air pollution are all matters which affect the large metropolitan districts. This trend towards urbanization is creating great difficulty for us. I am not suggesting that we should reverse the trend and empty the large cities by sending people up into the northern areas; but I do think we should look at the problem from a long range viewpoint. Across the Pacific from our west coast lie the people of China, Indonesia, Korea, Viet Nam and Japan who inside of 35 years will number four billion. We cannot long continue to hold our northern areas as trustees—and that is all we are; we are trustees primarily for the people of Canada but ultimately for the people of the world—unless we settle them.

When we speak of settling and occupying these areas, we must think of such things as transportation and so on which have been spoken of by the hon. member for Meadow Lake. The north does not just begin at the 60th parallel of north latitude. It commences at various points in different provinces. In the province of Saskatchewan, as in the province of Alberta, one might say that it commences about the 53rd or 54th parallel. The boundaries of our country between the Northwest Territories and the remainder of Canada were laid down by man when he moved about the north. They are neither natural nor economic boundaries. Consequently, it is essential that the federal government participate in programs of this kind.

I shall not recount the various steps in respect of the triumph with regard to the Pine Point railway. It might mention that, because of the calibre of the government and its program of northern development, despite the objection of the then members of the opposition who talked scathingly about building roads from igloo to igloo, I put forward an amendment and the program at Pine Point became a reality. As a result, hundreds of millions of dollars of new wealth have been created and the gross national product has been increased. The people in northern Alberta and the Northwest Territories have been able to participate in a shining, new development. This is precisely what my good friend the hon. member for Meadow Lake is suggesting. He is suggesting that the present government should consider programs of fiscal and financial incentives; the provision of credit; the construction of railways; the construction of highways and the provision of television and other facilities so that the people would really feel a part of the society in which they live.

Through these means, we could obtain for areas such as northern Saskatchewan, northern Alberta and the Northwest Territories, the population which we must have if we are to hold these areas against the demands of the people in other parts of the world. We dare not delay until a time when the world might need the resources which can be developed in these regions of northern Canada. I suggest to members of the house that measures such as this must be considered not only in the light of the parochial interest of which the hon. member for Meadow Lake has spoken, but on a greater regional and national basis. I think that is the way we should look at this situation if we are to discharge our responsibilities as members of this house.

• (5:50 p.m.)

I know the Minister of Public Works will agree with me when I say it was a pleasure to be on hand when the Great Slave Lake railway came across the boundary of Alberta into the Northwest Territories. At that time we were looking forward to what we thought would happen, and it has in fact happened. Lumber development in that area ran at a rate of about 10 million board feet per year. With this railroad service out of that part of northern Canada this has now reached a maximum of some 60 million to 70 million board feet per year. The fisheries of Great Slave Lake have also benefited as has mineral production from the Pine Point mine.

In addition to all this, the establishment of the system has permitted people to occupy part of this land where there is an opportunity for them to carve out careers and take an interest in participating in the development of the north. This is their part of their country, and their part of Canada.

May I suggest, therefore, that we who are here considering this motion by the hon. member for Meadow Lake, should look at it in the broader sense of what it will accomplish for the country rather than what it will do for the particular area in question. Certainly, the people there are entitled to that which the hon. member is proposing. I suggest we could build upon that, stage by stage, that measure of development in the north which this country has so greatly lacked in the past.

Although the topography and geography is a little different in Russia—we have the benefit of several large rivers where natural development is taking place—Russia has cities of 500,000 or a million people lying far north of the 60th parallel. Their development is now progressing. The Russians have instituted a scheme of settlement in the North under which incentives are made available to young people. If this can be done in a communist country, there is little we can say to them unless we are prepared to provide incentives for people to go into the northern part of Canada, such as transportation facilities and the other amenities of life.

For these reasons, and for many others about which I could speak at great length if I had the opportunity, I must support the motion of the hon. member in the hope that the house will see fit to approve it at this time.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, as several of the speakers who preceded me have indicated, this motion by the hon. member for Meadow Lake (Mr. Cadieu) is a timely one, particularly in view of the legislation that is under consideration by the house at this time. This legislation will establish, among other things, when passed by parliament, the new Department of Regional Economic Expansion.

At this time I think it would be appropriate for me to take a few minutes to deal with some of the broader aspects of regional economic expansion. Speakers who have preceded me dealt quite appropriately with the great importance of local situations, although the hon. member's motion is not confined to that because the opening part deals with giving consideration to all means of developing areas of great potential value to the national economy.

The hon. member for Peace River (Mr. Baldwin), and this certainly was not necessary, felt that he should qualify himself as a speaker on this motion by reference to the fact that he represents a riding in the adjoining province of Alberta. I thought I might say I wanted to speak because of the obvious relationship to the department for which I have some responsibility, and also because the motion deals with my native province where I was born and spent the first part of my life, an area with which I am not unfamiliar.

[Mr. Baldwin.]

The hon. member for Assiniboia (Mr. Douglas) made a very valuable contribution to the debate when he dealt very capably with various projects in this area that have been sponsored by the provinces and the ARDA administration jointly. I will not review those but the fact that these various programs have taken place in the area point up the fact that it is necessary to do some planning and preliminary work. This is the purpose, of course, of the new department.

The hon. member for Regina East (Mr. Burton) mentioned the development of railways, the inference being that they have not been adequately planned as part of an overall and comprehensive project because spur lines were started and stopped in the middle of nowhere. With the establishment of the new department, and with the stated intention of the Prime Minister (Mr. Trudeau) and the minister who will be responsible for the new department, the Hon. Jean Marchand, we will have in this country an energetic, reasonable and intelligent approach to the problems of regional economic disparity. This is the sort of thing and the sort of area in respect of which programs under the new department can be of benefit. The fact that we have been proceeding under the authority of ARDA and federal-provincial programs would indicate the necessity of comprehensive planning in order to move ahead, not only in this area but in other areas of Canada where there are regional economic disparities.

I have a considerable amount of sympathy and support for the objectives of the motion as set out by the hon. member for Meadow Lake. Let me close on this note. It is hoped that with the establishment of the new department this and other areas of Canada may receive the type of action which will correct some of the problems in respect of which the hon. member who sponsored the motion very properly directed our attention.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired. The house will now resume in committee of the whole.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the Chair.

The Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Gilbert: Mr. Chairman, part II of Bill C-173 deals with the new Department of Communications. The New Democratic party member for Moose Jaw has dealt with the bill in general. This evening I want to deal with the bill in particular as it applies to the Bell Telephone Company of Canada. Subsequent to the application by Bell Telephone Company of Canada, I asked the minister whether the federal government would take a position opposing the application for an increase in the level of its earnings and for a 10 per cent increase in telephone rates. His answer in general was this: he expressed concern with regard to this particular company, indicated that he is reviewing telecommunications legislation and that much of our existing legislation is out of date or inadequate to meet changing needs. In addition, the minister indicated that not sufficient information is available to the public, especially in his new department, from communications companies such as Bell Telephone Company of Canada.

Bell Telephone Company has made application to the Canadian Transport Commission to raise its permissible level of earnings from 6.6 per cent to 8 per cent and for authority to increase basic telephone rates by approximately 10 per cent. It is rather significant that not since 1926, under the Ontario Conservative government of Howard Ferguson, has any government intervened on behalf of telephone users against Bell's periodic applications for rate increases. As a result, Bell's increases have either been granted or, at best, temporarily postponed.

In the absence of any competition, public utility monopolies have traditionally been subject to the regulation of the Board of Transport Commissioners, now reconstituted as the Canadian Transport Commission. It is the function of this body to protect telephone users against exorbitant profits which might be extracted because of Bell's monopoly position. But unlike comparable American regulatory bodies, which vigorously dig out the facts regarding the financial position of public utilities, the Canadian body has played a passive role of merely assessing the information which is submitted to it in its hearings. The result has been a most uneven contest, with organizations like the Canadian Association of Mayors and Reeves passing the hat to collect a few tens of thousands of dollars from their already strapped budgets to try to counter the hundreds of thousands of dollars which Bell is ready and able to spend in presenting its case.

It is very much like trying to kill an elephant with a fly-swatter. In short, the Canadian regulatory body has been little more than a sleeping watch-dog. Unless and until some powerful and influential agency such as the federal government is willing to act on behalf of the people in the hearings before the Canadian Transport Commission, protection of the consumers' interests will go by default. It should be acknowledged that following the reconstitution of the old Board of Transport Commissioners into the new Canadian Transport Commission, the Canadian Transport Commission was empowered to dig out the facts in the manner traditionally followed by American regulatory bodies. But so far the Canadian Transport Commission has given no convincing proof that it is going to operate in an active, rather than the traditionally passive, role. All the more reason, therefore, why the government of Canada must play a part to make certain that the interests of users of telephones are protected. This is why I look to the Minister of Consumer and Corporate Affairs to protect the interests of telephone users and to present briefs to the C.T.C. for the protection of consumers in this field.

In assessing the validity of Bell's request for a rate increase, the public should bear in mind certain features of this corporation's operations over the past decade. Bell stresses that it has not had an increase in its basic rates over the past ten years. It should be noted, however, that in 1958 its permissible level of earnings was fixed at $2.43 per share,

or the equivalent of 5.9 per cent on over-all capital earnings. In every year following that board ruling, Bell exceeded the permissible level of earnings, and the federal regulatory body did nothing about it. Throughout the period of 1958 to the mid-1960's, Bell's excess profits, extracted illegally in violation of the board's ruling, amounted to some $37 million. Since this amount remained after paying approximately 50 per cent corporation tax, it simply means that Bell illegally extracted some $75 million from telephone users during that period. In 1964, the situation was reviewed by the federal board. But strange as it may seem, hearings were not focussed on Bell's excess profits over the years but rather on Bell's request to have its permissible level of profits raised so as to legalize its excess earnings.

Even stranger, when the board finally ruled in 1966, it raised Bell's permissible level of earnings to a maximum of 6.6 per cent which, by coincidence, simply legalized the profit levels current at that time. But Bell's defiance of the regulatory authority of the C.T.C. persisted. In its first full year of earnings after the 1966 ruling, its profit levels were in the range of 6.7 per cent or 6.8 per cent. At that point the C.T.C. stirred itself and asked Bell what proposals for rate decreases it had, in view of its excess earnings. In 1968 the return on capital of Bell Telephone's operations amounted to 6.9 per cent. Bell argued that because of the sharp rise in interest rates and construction costs, their excess profits were justified. Patsy-like, the C.T.C. accepted this explanation and agreed to tolerate profit levels in excess of the maximum which they had fixed a year earlier. With that encouragement, Bell is now back asking for a new permissive level of earnings at 8 per cent and rate increases to bring profits up to that level. When Bell argues that for the past ten years it has absorbed rising costs within the same basic rate structure and therefore is now entitled to increased rates, there is an important fact which should be noted. Bell is now reaping unprecedented profits from its expansion over the past years combined with technological progress. The over-all result in the company's financial position was revealed during the hearings of 1964-65.

• (8:10 p.m.)

The Deputy Chairman: Order, please. The Postmaster General wishes to speak on a point of order.

[Mr. Gilbert.]

Mr. Kierans: Mr. Chairman, we are now considering that part of the government reorganization bill that deals with the Department of Communications. The hon. member is devoting himself entirely to such advantages or privileges as are granted to a corporation by a private bill. He is using terms that are emotional but are not exact. Profits may, from his point of view, be excessive at all times, but this has nothing to do with the bill that is now before us.

The Deputy Chairman: I thank the minister for his remarks, and I may point out that I myself, had some doubts about the relevancy of the hon. member's remarks. I will ask him to confine his comments to the bill before the committee.

Mr. Gilbert: The bill before us is Bill C-173 and we are dealing with the part which would set up the new Department of Communications of which, in all probability, the minister will be in charge. The Bell Telephone Company of Canada will be within his jurisdiction. That company has now made an application for increased rates, and I think that my remarks are in order.

The Deputy Chairman: I wonder if the hon. member could assist the Chair by telling us under which clause the new department will be responsible for the Bell Telephone Company.

Mr. Gilbert: I will be happy to assist the Chair. This responsibility comes under part II of the bill headed, "Communications". Clause 7 (1) reads:

> There shall be a department of the Government of Canada called the Department of Communications over which the Minister of Communications appointed by commission under the Great Seal of Canada shall preside.

The following clauses in part II set out some of the duties of the minister. Clause 9 reads:

> The duties, powers and functions of the Minister of Communications extend to and include all matters over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the Government of Canada, relating to
>
> (a) telecommunications; and
>
> (b) the development and utilization generally of communication undertakings, facilities, systems and services for Canada.

I think that in the circumstances my remarks are in order.

Mr. Kierans: Speaking to the point you raised, Mr. Chairman, I should like to point

out that so far as the rate-making capacity of the Bell Telephone Company is concerned, which is the entire theme of the member's address tonight, that comes under an agency of the Government of Canada which is the C.T.C.

Mr. Gilbert: I am surprised at the minister's suggestion that the burden of my remarks is with regard to the rates. In fact, it is with regard to the attitude of the Government of Canada concerning this field and it is an attempt to persuade the Postmaster General and the Minister of Consumer and Corporate Affairs to take a very active part in the representations made by a particular company before the Canadian Transport Commission.

So, when the Bell company argues that for the past ten years it has absorbed rising costs within the same basic rate structure and therefore is now entitled to increase the rates, there is an important fact that should be noted.

Bell is now reaping unprecedented profits from its expansion over the past years, combined with technological progress. The overall result in Bell company's financial position was revealed during the hearings of 1964-65 preceding the 1966 ruling. Operating revenues per telephone rose from $116.63 in 1959, to $129.46 in 1964. Operating expenses per telephone during the same period rose relatively little, from $79.35 to $81.90. Thus, the net operating revenue per telephone rose from $37.28 in 1959 to $47.56 in 1964, an increase of $10 per telephone.

When Bell points out, as it did in its brief to the C.T.C., that it has installed 2,309,151 telephones in the period from 1958-68, it fails to reveal that because of technological progress its net operating revenue from every telephone, old as well as new, has increased by $10 or more.

Therefore, when the company argues that it has absorbed all cost increases without rate increases for ten years, it simply means that it has passed on to the telephone users only a portion of the savings accruing from technological progress—

Mr. Deputy Chairman: Order. I regret to interrupt the hon. member so often, but what he is saying is not relevant to the debate on part II of Bill C-173. A while ago the minister told the committee that the Bell Telephone Company does not come under his jurisdiction. I know that that company is a great means of communications, but it does not fall under the jurisdiction of the Postmaster General.

Mr. Gilbert: Thank you, Mr. Chairman. Having set forth the profits of this company, it falls upon me to ask the minister to take full control of this particular department and to ensure that the department takes an active rather than a passive role in this important field. We in the New Democratic Party feel that telephone communications should be under public ownership.

The Deputy Chairman: Order. I think the committee agrees that this subject is of great importance to the hon. member and to his party, but I must point out again that his remarks are not relevant to the subject under discussion at present. I therefore, ask the hon. member for the fourth time to confine his remarks to the bill before us.

Mr. Gilbert: Mr. Chairman, I must object to your ruling because the subject matter under discussion at present is telecommunications, which falls squarely under the jurisdiction of the minister. I ask the minister to take an active role in administering this regulatory body, rather than the passive role the government has played in the past.

I also ask the Minister of Consumer and Corporate Affairs to play a very active role.

Mr. Basford: Obey the rules.

Mr. Gilbert: The minister just shouted that it is too late.

Mr. Basford: No, I said "obey the rules".

Mr. Gilbert: I am sorry, I misheard him. However, I would like to persuade him to take an active role and to do some of the digging that the United States regulatory body does with regard to this important field. It is time that Canadians considered putting telecommunications under public ownership. However, without the help of the Postmaster General and the Minister for Consumer and Corporate Affairs, it is very difficult to protect telephone users across Canada when one company considers profits to be its foremost objective, with the resulting abuses which I tried to set forth.

• (8:20 p.m.)

Having dealt with that subject rather lightly, and when the subject comes up again I will deal with it in greater detail, I should like to pass on to the second area which is cable television. I think the minister has been

apprised of the problems with regard to cable television in the Toronto area. The Toronto *Daily Star* indicated in an article dated February 7 that small cable television firms tried vainly to get a share of the lucrative Metro market while the Bell Telephone Company of Canada made deals involving over $5 million with five big operators. The suggestion is that these big companies intend to operate in collusion with each other.

When one considers the actions of some of the large companies and the problems experienced in connection with monopolistic practices in a single field such as communications; when one realizes the problems raised by foreign ownership—because some of these companies are foreign owned—I am sure you will agree with me, Mr. Chairman, that we do well to ask the minister to look into the practices of the Bell Telephone Company and some of the other major companies in the field of television. I hope he will do so, again with the aid and assistance of the Minister of Consumer and Corporate Affairs. I recall that the minister of consumer affairs became a little touchy when I called him the shadow boxing champion of Canada. I accused him of shadow boxing in connection with prices paid by consumers, of shadow boxing with regard to monopolistic control of hockey, and so on. I say to him in all sincerity that I hope he will stop shadow boxing in connection with cable television and the exhorbitant profits the Bell Telephone Company has made in connection with television.

I would ask that he get the research men, economists and lawyers in his department, to make a full study of the feasibility of public ownership in this important field, and report to the government on his activities. Then, and only then, can we say he is not a shadow boxing champion, because he would not only be dealing with the problem of monopolistic control of the television field, but he would have assisted the new minister of telecommunications.

I am sure that after these persuasive remarks the minister of consumer affairs, along with the minister responsible for telecommunications, will protect the rights of all Canadians, not merely the rights of the relatively few shareholders in Bell Telephone.

Mr. Dinsdale: I wish to seize the opportunity provided by this debate on Bill C-173 to discuss certain problems with respect to the current operations of the Post Office Department. I began this particular discussion last fall when the Postmaster General's reorganization bill was before the house. At that time, I made a point that what was happening to the Post Office Department represented the reversal of a policy which had been recognized in Canada for the past one hundred years. We have since had an opportunity to discuss this subject in a parliamentary committee but we have made no impact whatever on the minister. I notice that the reorganization bill, in the clause dealing with communications, merely endorses some of the features to which we have been calling attention, inasmuch as clause 12 repeals the Post Office Act, and clause 3 states there shall be a department of the Government of Canada called the Post Office Department over which the Postmaster General shall preside. Clause 3(2) says the minister responsible for communications is to be the Postmaster General, so I would think the remarks I intend to make tonight are quite in order.

I say that the government and the Postmaster General have reversed a policy which is as old as Canada itself. It has always been fundamental and vital to the development of a sense of nationhood in Canada for the government to support communications media of all kinds. There is no need for me to go into a lengthy recital of the manner in which this policy has been carried out over the years. Instead, I shall refer to each of the areas in which support has been given by the government, generously in many instances, for the sake of Canadian nationhood and also for the sake of assisting in the achievement of that very elusive quality in Canada, national unity.

It has become a cliché to say it is almost a miracle that Canada was ever brought together from sea to sea. I do not think it was so much by a miracle as by good, practical common sense on the part of the Fathers of Confederation and those who have since followed in their footsteps. These people recognized that communications is the cement of national unity in this country.

The Government of Canada supported the construction of transcontinental railways. The trans-Canada highway system has been heavily subsidized, as has the national broadcasting system, first radio and then television, in the interest of national unity. By way of an aside, Mr. Chairman, I think there is good reason to question how valuable the huge subsidies to broadcasting have been in achieving national unity. The current subsidy is about $160 million and it would be possible

to argue that at the present stage of the development and utilization of the mass media we have not yet struck a formula which contributes to a sense of nationhood and national unity in this country.

The Postmaster General, as minister responsible for communications, talks in exultant and enthusiastic terms about the huge sums of money which will be invested in the next few years in the development of a satellite communication system. This is all very necessary in achieving national unity, but in the face of all the evidence we have heard, in the face of all the statements which have been made in this house, the minister, with all the stubbornness of his Irish nature, refuses to accept the viewpoints and the arguments presented by many members on this side of the house.

In his administration of the post office, as we are endeavouring to point out, he is turning back the clock one hundred years because he is insisting that this basic means of communication by the printed word and the written word has to be placed on a foundation of financial solvency. This, I suggest, represents the reversal of a long established policy not only in Canada but in all democratic countries, and constitutes rank discrimination against one type of communication important in rural areas of Canada and favours, particularly sections of Canada where urban areas predominate. For example, one could refer to the Golden Triangle along the St. Lawrence, including Toronto, Hamilton and Montreal. I do not have to repeat these arguments because they have been placed before the minister on the occasions to which I have already referred.

• (8:30 p.m.)

The minister's argument goes that it has been necessary to increase postal rates and diminish service. The result is that Canada is the one country that does not provide six days a week delivery service. All the other advanced nations provide six days a week delivery service because of the vital importance of mail distribution.

Coming back to the argument that increases in postal rates were necessary because none had been made for a long period of time, this is quite true. The complaint is that the increases have been exorbitant. In the case of certain periodicals, there has been a sudden increase of up to 2,000 per cent. That in itself is bad enough, but these increases are going to be applied on April 1 without giving the publications and periodicals affected any opportunity to adjust gradually to the exorbitant, drastic and abrupt increase in financial expenditure involved in their distribution. I am sure that this situation has resulted because the minister did not even extend the courtesy of referring his reorganization bill to a parliamentary committee after second reading: this has now become part of our procedure.

Actually, when I spoke on the reorganization bill last October, the one point that I made was that if we were going to bring about a reorganization in the Post Office Department that made sense in terms of the special needs of various parts of this country, we should refer the bill to a parliamentary committee where we could hear representations from the people who would be affected. It was obvious that the minister did not have a clue as to what the special circumstances of the Canadian body politic beyond the Golden Triangle were in the field of communications. Now, the minister is saying that he is receiving these representations, but it is rather like locking the barn after the horse is stolen. These people and briefs should have been heard when the bill was actually going through the house. This is the way we handle the matter now, and the way we suggested it should have been handled as recently as last October.

Now, what is the result? I am not going to refer to the letter rate increases because these are reasonable and non-exorbitant, but what has been the result of some of the more unreasonable aspects of the postal rate increases as they apply to newspapers and periodicals. Already, Canadian publications are finding it necessary to cease operation. Farm publications in particular are feeling the effects. This, we told the minister, would be the case. Farm journals operate on a very slim financial margin and meet a highly specialized need in Canada.

I am glad to see the Minister of Agriculture here tonight and I hope he will lend his voice to this petition because he knows what will happen if these very important farm publications that serve people in the rural communities of Canada and provide information about new farm techniques and so forth, all free and at no expense to the government, are forced to go out of business. Already the *Country Guide* and the *Farmers Advocate* have gone out of business as the result of exorbitant increases in the distribution cost of periodicals and publications of this nature.

This is going to mean that our farmers will have to depend upon the subsidized government propaganda journals which do not pay any postal rates at all. The farmers are going to be at the mercy of the Minister of Agriculture and the government and deprived of that broad range of information that has been provided by these outstanding farm journals.

I am not exaggerating, because this is precisely what has been happening. It is further discrimination against the west and the extremities of Canada, and as I say I hope the Minister of Agriculture will lend his voice to the protests that are arising from all parts of Canada.

Mr. Olson: I hope the hon. member realizes that, as usual, he is completely misrepresenting the case.

Mr. Dinsdale: I did not hear what the minister said; he mumbled something.

Mr. Olson: Would the hon. member like me to repeat it?

Mr. Dinsdale: He did not speak in those terms when he was on this side of the house. It is really amazing what a change in geographic location in this house can do to one's perspective.

If hon. members think that I am exaggerating I would ask them to read the current issue of the Legion magazine. It carries an editorial to the effect that that journal is faced with the prospect of going out of business because mailing costs have increased to the tune of $19,000 per month, which is greater than the actual printing cost of the magazine.

Surely, the government is not going to discriminate against the veterans of this country. In order to meet the crisis the Legion magazine has reduced its size in terms of weight by one half in order to enable it to come in under the weight category. This reduction would make it possible for the magazine to avoid this pernicious two cents per copy rate which has been arbitrarily applied by the minister, who would not listen to the advice of the members who represent various parts of the country or allow the bill to go to a parliamentary committee.

Even greater discrimination against a group that can ill afford this sort of discrimination is the impact of these increased rates upon the ethnic press. Again, if the minister had listened to representations he would have found this out before the damage was done.

The ethnic press serves a numerically small constituency. Each of the major ethnic groups which make up the Canadian mosaic—and again western Canada is particularly affected in this regard—publishes a journal in its own language as a source of information to assist newcomers to adjust to the Canadian way of life as well as to provide some cultural and linguistic inspiration to its members. A brief that has been sent to me contains an agonizing appeal from members of the ethnic press to the minister to reconsider this discriminatory action and to allow this important medium of communication to continue publication.

• (8:40 p.m.)

Here is a citizenship service that conceivably could cost the Government of Canada substantial sums of money but does not because it is undertaken as a voluntary service by the various ethnic groups themselves. Many of the newspapers are distributed free of charge. Had I time tonight I would read extensively from the brief presented to the minister. These people point out that costs of distributing some of these papers have increased by up to 2,000 per cent. One newspaper which formerly cost 5 cents a copy to distribute now costs $1.04 per copy. Many of those writing for these journals do so without remuneration. They work on a voluntary basis, because they realize that they are fulfilling a real need in their segment of the Canadian body politic. The government's policy constitutes crass discrimination. A government which professes to promote the just society is practising linguistic and cultural discrimination at a time when it is emphasizing the linguistic rights of our French Canadian group and expending substantial sums of money to ensure that this minority group will have its rights and privileges respected.

I ask, why in the name of common sense discriminate against ethnic groups by removing a small subsidy that does not amount to peanuts? The loss of our ethnic citizens, if the ethnic press has to be discontinued as a result of government policy, will be much larger than any saving in terms of dollars or cents that might accrue to the government. Let us be fair, just and reasonable. It is fine to have your eyes on the stars and satellites, but let us deal with the practical realities of everyday politics and public services. In reaching for the stars, let us not bring about a state of inequity and inequality for some of our people.

I have made the point that the government's policy is urban oriented. Why do I say

that, Mr. Chairman? I say it because country folk have had the cost of their post boxes doubled. And why does the post office do this? It says that this is a special service to the people of the small towns and rural communities. Yet our city folk have their mail distributed to their door at no extra cost. Why, then, discriminate against the rural people of Canada? The reasons for this discrimination are beyond my understanding. Under this reorganization, although city people will continue to receive their mail door to door free, the cost of postboxes is increased.

Farm journals are the cheapest form of post for the government to distribute. They are delivered to post offices in bulk and most of the customers, the farmers and residents of small communities, pick them up at the post office. There is no door to door street delivery here. The journals are merely processed in the local post office. Yet, they have to bear these exorbitant rate increases. The minister also said he is saving the taxpayers of Canada enormous sums of money by closing rural post offices. In committee the other day we discovered that by closing 499 rural post offices—the minister had his eye on many more but could not close them because of protest—the government will save the magnificent sum of $292,000. That will really balance Canada's budget, I am sure. By closing 499 rural post offices we are to save $292,000 at a time when the C.B.C. is being subsidized to the tune of many millions and when the Centre for the Performing Arts—

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

Some hon. Members: Continue.

Mr. Dinsdale: Mr. Chairman, I shall be finished in a couple of minutes.

The Deputy Chairman: Does the committee give the hon. member unanimous consent to continue?

An hon. Member: No.

Mr. Dinsdale: Thank you for the courtesy.

The Deputy Chairman: The hon. member for Surrey.

Mr. Mather: Mr. Chairman, so far as I am concerned, I should be glad to extend consent to the hon. member and have him complete his remarks.

Mr. MacInnis: On a point of order, Mr. Chairman. I point out to hon. members that when Your Honour asked for unanimous consent to allow the hon. member to complete his remarks, the Postmaster General himself denied him that privilege.

Some hon. Members: Shame.

Mr. Kierans: On a point of order, Mr. Chairman. What we have heard this evening from the hon. member is a repetition of what we heard last week in committee. I would not like to waste the time of the house.

Some hon. Members: Oh, oh.

Mr. Dinsdale: The minister refuses to listen.

Mr. Perrault: Others are being given a chance to be heard.

Mr. Dinsdale: Thank you for the courtesy.

The Deputy Chairman: The hon. member for Surrey has the floor.

Mr. Mather: Mr. Chairman, the question of communications is very broad, embracing almost every element of which we have knowledge. It is said, for instance, that while two countries of our earth can almost communicate with other planets, 40 per cent of our world's population cannot communicate with each other, being illiterate. The rest of us who are literate also have trouble in communicating. We have a good deal of trouble in making ourselves understood. For example, examine what goes on in this house, Mr. Chairman.

My intervention in this discussion will be confined—because the question is most immediately urgent—to the old tried and, until recently, true method of communication, the postal service. I speak as a member of this house, and as a member of the N.D.P. who is proud of the record of the post office of Canada as a public enterprise. It has handled billions of pieces of mail a year almost without error and, until a short time ago, with speed and efficiency. I also speak as a former employee of the post office. I was a mail carrier and learned something about the business of mail delivery.

During the last eight or nine years, six or seven different men have occupied the position of Postmaster General. In fact, I have lost count of how many ministers in that portfolio we have had. Last fall the minister announced a program of postal reform for

Canada. In some respects my party thought it a commendable program which was long overdue. In other respects we felt that suggestions would not be amiss. I put forward some suggestions when I spoke in the house on October 21, 1968, as reported at page 1614 of *Hansard* for that date. I said, in part:

> —we wish the proposed post office legislation referred to a standing committee of this house for detailed study and report.

• (8:50 p.m.)

I also said:

> —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.

Generally speaking, Mr. Chairman, I still believe that was a wise course for us to advance, and it might have been a wiser course for the government to accept.

We in the New Democratic party, and the C.C.F. before us, urged for years and years that the business mail, that the ordinary first class consumer mail pay its own way, but even with the increased rates the business mail of Canada is not paying its own way. Very briefly, I would like to put the following points forward: In relation to today's lamentable situation involving strikes and rumours of strikes in the postal service of Canada, which I feel has come about partly as a result of the lack of communication between the minister and the Post Office operation, the minister at this late hour has come forward with the announcement that the disputed work condition issue is being referred to a third party for a second look. If, as is now said by the minister, the issue is of such substance as to warrant it being looked at impartially by a third party, surely there should be no implementation of the disputed points which have now been referred to others for judgment until the second look has been taken. To do otherwise is to suggest that the second look is automatically going to be in favour of one of the parties involved, in this case the government. To that extent, it will prejudge the issue in the minds of a good many of the postal workers. I think I am right in suggesting to the minister that this will create a further lack of faith on the part of postal employees, just at a time when a greater degree of communication and confidence is very much to be desired.

I am sure there are members on both sides of the house who would like to see the minister doing what others have also suggested, namely, let us have an all-party pause in the attacks on the postal system and on the minister while the third party, of whom, he has spoken, takes this second look at the immediate question of working conditions in the post office. Until this third party reports, let us also have a pause in the implementation of the disputed conditions.

It seems to me that in the last few months the government has attempted a very strange thing. The government, and in particular this minister, have sought to perform, after many years of delay on the part of both the old parties, what amounts to three simultaneous surgical operations, a risky effort for all concerned.

The postal service of Canada, once one of the finest in the world in one of the most affluent countries in the world, has been diluted, reduced, impaired and cut from a six-day a week to a five-day a week delivery, and I think unnecessarily so. At the same time the price to the ordinary consumer, the first class letter writer and bill payer has had to shoulder a 20 per cent increase in letter rate. Certainly, the business people such as the hydro, the oil companies, the phone companies and so on will pass on their part of the new impost to the consumer.

Now, beyond this, the government finds itself involved with the postal service employees in another dispute, employees whose efficiency and service over many years of substandard working and wage conditions have been a subject of comment in Canada. Here, I think I speak fairly and honestly as a former member of that group. I have already suggested a way of dealing with this particular situation involving the postal employees.

If I may add one more expression of concern at the conduct of the minister and the government in this area it is that hundreds of newspapers, co-operative papers, farm papers, union papers, church papers, association papers and scientific papers, certainly none of them profit making publications, are being faced with such an immense increase in postal rates as to make a number of them cease publication. Perhaps more will have to stop publication in the future. In some cases these rate increases amount to 2,000 per cent.

Replying to a question of mine on this same point three or four days ago, the minister suggested that those non-profit publications that were being so hard hit might apply to the departments of government concerned with their area of publication or interest for a subsidy. Surely, this is a curious suggestion, particularly coming from the Postmaster General who, until recently at least, I had always thought was a man of a great deal of common sense. I found it a curious idea that he would suggest that the various Canadian publications that are going out of business because of increased postal rates might ask a department of government for a handout.

I wonder should the farmers of Canada, through their associations such as the Farmers' Union and the Federation of Agriculture, which from time to time are critical of the Department of Agriculture, and of the Minister of Agriculture, and rightly so, ask for a subsidy from the Department of Agriculture? Should a publication like *Canadian Geographic*, an excellent magazine that will probably never make a profit, ask the Minister of Public Works for a subsidy or handout, when it may not always want to publish material exactly coinciding with what the government thinks is right and proper? Should the trade unions apply to the Minister of Labour to see if they can get the same kind of relief from the heavy imposts of the Postmaster General? Canadians labour papers, I think very correctly, are not exactly in tune at all times with the Minister of Labour and the government. If I understood the minister correctly, then his was a very strange suggestion to make in this day an age in Canada. I hope I misunderstood him.

In conclusion, Mr. Chairman, just as the issue with regard to the postal workers is going to be referred to a third party for a second look, I think that the matter of the fantastically heavy mail rate increases for non-profit publications should also be referred to some impartial agency, as we suggested some months ago, for further consideration.

• (9:00 p.m.)

Mr. Orlikow: Mr. Chairman, in rising to say something in this debate, I should like to begin by saying to the minister that if he wants to get this bill through he should not display the kind of arrogance he used when he refused unanimous consent to the hon. member for Brandon-Souris to complete his remarks. The minister ought to know, although he and the Prime Minister may wish it, that we do not have the system they have in France where President de Gaulle speaks and everybody toes the line. The minister may think members on this side are wasting time, but the members on this side of the house were elected by their voters in the same way the minister was. If the hon. member for Brandon-Souris wants to speak tonight, tomorrow or the next day about something that has been discussed before, simply because the minister does not agree does not mean he cannot do it. I wish to tell the minister that if he wants to get the legislation through he should not act the way he did, because if he is going to talk that way the members on this side will show him that it can take longer to get the bill through.

Mr. Perrault: You are wasting time. Get on with it.

Mr. Orlikow: The minister's handling of the Post Office Department is such that he should resign right now. I have been looking through the records of *Hansard* and I notice that almost every day members on this side of the house have been asking questions of the minister. They have asked about what was happening in respect of the negotiations with the employees. They have inquired whether there will be another strike or stoppage such as we have had. Questions have been asked in respect of whether the Canadian people will have to face the same inconvenience they have faced on two or more occasions. On each occasion, the minister has been very clear. He has stated that there is not the slightest possibility there will be a work stoppage. He has said that negotiations are proceeding very well, that there is no trouble at all and that he has been having discussions with the officials of the union. It is obvious now that the kind of discussions in which the Postmaster General believes are the same kind in which the Prime Minister seems to believe. In other words, he does the talking and the other people must listen, or be pushed around in some way.

Let us look at the record. I shall not quote it all today because it would take not 20 minutes but probably 20 times 20 minutes to go through the minister's sad, sad misconceptions about the postal employees; what they are thinking and what the situation is in respect of their morale. Here it is March 10. Just six days ago, on March 4, the Leader of the Official Opposition asked the minister how the discussions were progressing and what

the possibility was of a stoppage. The minister said, "Oh, we are doing fine". The Leader of the Opposition then asked about outside adjudication. Let me quote exactly what the minister said as recorded at page 6173 of *Hansard*:

> In direct reply to the question asked by the Leader of the Opposition, I would like to say there is no necessity for third party adjudication when explosive situations do not exist.

Well, Mr. Chairman, although explosive situations did not exist and there was not a chance of a strike, today we have a strike in many of the cities of Canada. I have information which the minister could obtain if he wanted to listen to any people other than those around him who have messed up all the labour relations between the employees and the department. My information is that the only reason there is not a strike in Toronto and Montreal is that the system of delivery without going back to the post office has not been completely implemented. I am informed that if it had been there would be a strike in those places.

On January 14 the minister made a statement about the changes he intended to make and said that nobody would be affected. I was asked by our party to speak in respect of the minister's statement. I do not remember ever having done this before, but I wish to point out to members of the committee and the minister what I said on that occasion on the basis of the information which I and which any other member of the committee could have had if he had taken the trouble to ask questions of the employees. I said the following as recorded at page 4244 of *Hansard* for January 14:

> We have a new Postmaster General but we have the same old gang in the top positions in the department. Unless the minister comes up with a new plan, the workers are not going to accept the idea that a substantial number of them will have to eat their lunches outdoors in very cold and wet weather simply because there are no provisions for transportation and thus no opportunity for them to have their lunch break. I say to the minister, and this is not a threat, that I think I know how the postal workers in many cities feel, and unless the department meets these legitimate complaints there will be another stoppage very shortly.

That was on January 14, almost two months ago. Of course, the minister did not take me very seriously, nor has he taken anybody else very seriously. This minister, who came to this house with such a reputation for being a brilliant and intelligent man attuned to the feelings of the ordinary citizen, has displayed a lamentable lack of interest. That is all I can say. He has displayed a lamentable lack of interest in the problems of the employees of the department of which he is the minister. He is laughing. I suppose everything I say is a joke. It will be a joke until the employees stay out long enough for this minister to pay attention to them.

The minister has refused to listen to the members of this house. He has ignored the clear reports which have been carried in the newspapers in every part of Canada. If the minister has the time to read, I should like to refer him to reports which appeared in the *Globe and Mail* back in January. There was a news report on January 13 which read as follows:

> Representatives of Canada's letter carriers have threatened to work to rule or even strike if the post office carries through plans to cancel Saturday deliveries and implement a straight-through mail delivery system.
>
> The Letter Carriers Union of Canada claims the planned changes will violate its contract with the Treasury Board and said in a statement yesterday: "If the contract is continuously broken ... We reserve the right to take industrial action."

A few days later, on January 19, the *Globe and Mail* reported as follows:

> A switch in mail deliveries will mean a longer working day for postmen, already angry over delays in implementing the new pay scale they won in the 22-day strike last summer.

Later, the same report states:

> Under straight-through delivery, the postmen would sort the whole day's deliveries in the morning, then spend the rest of the day on their routes.
>
> They would have half an hour off for lunch and the Post Office would pay for transportation from their routes to wherever they eat, and back again. Time spent travelling would not count as part of the half hour, but they would not be paid for any of it.

The postal employees felt this was a violation of their contract. As a matter of fact, they exercised the right which the minister keeps on saying they have. They took a case to adjudication. This was a case having to do with wash-up time. The adjudicator said that under the contract the employees had the right to five minute wash-up time before and after lunch. This minister says, of course, you can have the time. Perhaps that is not what he said, but that is what his action means. You can have the time off out in no man's land, or on the prairies or wherever you happen to be at lunch time. This does not mean you have the traditional right to come back to the post office at lunch time. If you do, you will do so on your own time. The postmen did not have

to do this before. What the minister is doing is cutting down the pay of every postal employee by one hour every day because he is forcing them to go back to the post office on their own time.

• (9:10 p.m.)

The minister was asked repeatedly during question period by members from all parties on this side of the house to sit down with the employees and negotiate because an agreement could not be reached. An agreement will not be reached if the minister acts as God in deciding this is what the contract says because he says so, and that he does not have to discuss this with anyone. Surely, collective bargaining means negotiation, and if you do not reach an agreement you get somebody outside to arbitrate. The minister refused to do that until today when he was faced with the disastrous effects of his policy and the fact that all the promises and statements he has made meant nothing. He said that morale was good, that the differences would be settled and there would not be a stoppage. Now that the minister is faced with a stoppage that is getting bigger rather than smaller, he is back tracking. The minister has been wrong in every step. This is the minister who has precipitated the third work stoppage, but he now agrees to outside adjudication. This is typical of this government.

We have a Minister of Labour who receives fulsome praise. Perhaps it is on the basis of the speeches he makes on behalf of the trade unions. He has spoken out in favour of the Freedman Commission report to the effect that there should be conciliation and discussion. He has spoken about the fact that no employer should make important changes in the working conditions of their employees without discussion and negotiation. I think the minister made that speech when the estimates of his department were before the house or during the Throne Speech debate. Here we have a minister who has ignored the Freedman Commission report, and I refer to the Postmaster General. Of course the Minister of Labour can go out and lecture employers about the fact that they ought to live up to the spirit of the Freedman Commission report while the Postmaster General ignores that report completely.

For the record and for the information of the Postmaster General in the event he has not looked at this report until now, and I commend the idea to him that he should do so, let me read from the official press release put out by the Department of Labour summarizing the findings of Mr. Justice Freedman in the dispute between the C.N.R. and its employees. I suggest to the minister that what Mr. Justice Freedman said to the C.N.R. applies even more to the government of Canada. Let me read a couple of sentences from this official press release:

> The present situation which permits management to make unilateral changes in working conditions during the contract period is a manifest inequity which clamours for attention and correction.

Was there ever a greater change in working conditions by any employer than those the Postmaster General and his lackeys in the department tried to push down the throats of a group of employees? Mr. Justice Freedman also said:

> Since run-throughs are not all equal in their effects, the commission recommends—

Mr. Kierans: Mr. Chairman, on a point of order. When the hon. member cites Mr. Justice Freedman I would like him to cite the page number. I have the report here.

Mr. Orlikow: I wish the minister would listen. I said I was quoting from the official press release issued by the Department of Labour summarizing Mr. Justice Freedman's report.

Mr. Kierans: All I am asking for is the source of the citation, as it appears in the report itself.

Mr. Orlikow: If I cannot take the official summary of the report by Mr. Justice Freedman as issued by the Department of Labour as being correct—the Minister of Labour at the time was Mr. Allan J. MacEachen—I do not know what else the minister would like.

Mr. Kierans: I am quite prepared to admit that the summary is official and correct. On the other hand I think I am showing a disposition to go much closer to the source of the quotation than is the hon. member who has cited it. If he wants to cite Freedman why doesn't he cite Freedman?

Mr. Orlikow: The minister has already complained in what I thought was a very capricious and arbitrary way about the fact that the hon. member for Brandon-Souris was wasting time, or taking up too much time. I am trying to save the time of the committee and not bore the minister with matters which he considers are unimportant by quoting from the official summary. I think it is accurate enough. If the minister does not think it is

accurate I suggest he argue that matter with the former Minister of Labour and those officials of the department who prepared the report. I am prepared to accept the word of the former Minister of Labour that he has given an honest summary of the Freedman report. If the Postmaster General does not want to take it as being an honest summary, that is his business.

Mr. Kierans: On the point of order, Mr. Chairman, I do accept it as being an honest summary. I am simply raising the point that while I have read the Freedman report, I am not sure the hon. member has.

Some hon. Members: Hear, hear.

Mr. Orlikow: We now hear those trained seals banging their desks over there. At the rate we are going, we obviously will not finish this discussion tonight. Since the minister has not had time to read the Freedman report and will not listen to the former Minister of Labour—obviously he has not listened to the present one either—I promise the Postmaster General that tomorrow afternoon I will give him the exact quotation from the official text of the Freedman report. I wonder if I can continue now without the interruptions of the jumping-jack Postmaster General.

Mr. Knowles (Winnipeg North Centre): That was Pickersgill.

Mr. Orlikow: This is the new Pickersgill.

On page 2 of this summary, Mr. Justice Freedman states:

> Since run-throughs are not all equal in their effects, the commission recommends that either party should have the right to refer to an arbitrator the question whether a proposed run-through would or would not have the effect of causing a material change in working conditions.

For weeks the postal workers unions have been asking for precisely this, but what has the minister and his experts in the department—those great labour negotiators who have led us into three work stoppages in a couple of years—done to alleviate the situation? All they have said has been that we cannot have outside arbitration. They have suggested to the postal employees that they file not one grievance but 20 grievances or 50 grievances. The employees are going to be required to hire some high priced lawyers and this will drain the union treasury. I am sure that would suit the Postmaster General because obviously the unions would then not be able to continue the battle for what they consider to be justice. The Postmaster General does not believe in this because his great Pooh-bahs have decided they have treated the employees fairly.

[Mr. Orlikow.]

• (9:20 p.m.)

The official summary, at page 3 reads:

> Assuming voluntary agreement between the parties is not possible for the purpose of giving effect to the Commission's recommendation, legislation would be required. Either the Railway Act or the Industrial Relations and Disputes Investigation Act could be employed. If the latter were used it would be possible to provide, by an appropriate amendment, that any technological innovation, development, or change proposed by the employer which would materially and adversely affect the working conditions of the employees should either be deferred for negotiation at the next open period or be dealt with in the same way as if it were a provision falling within the scope of subsection (2) of section 22 of the act.

The former minister of labour, the Hon. Jack Nicholson, used to argue, he thought pretty persuasively, that he did not need to implement Mr. Justice Freedman's recommendation. He felt we did not need legislation because, after all, all good employees should be willing to do this voluntarily. You can see how wrong he was. We are not even talking about private employers; here is the government of Canada, here is the Postmaster General ignoring the basic concept of the Freedman report.

The Chairman: Order, please. I am sorry to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

Mr. Orlikow: Could I ask a question, Mr. Chairman? In calculating my time, did you take account of the rude interruptions of the minister?

The Chairman: Order, please. Is it the wish of the committee that the hon. member continue? There has to be unanimous consent for the hon. member to continue.

Some hon. Members: Agreed.

Mr. Perrault: He doesn't deserve it.

Mr. Orlikow: We get the same comment, Mr. Chairman, from the hon. member. Like the Prime Minister, I cannot remember his constituency. Page 3 of the summary of Mr. Justice Freedman's report reads:

> Amendment through the Industrial Relations and Disputes Investigaion Act would have the advantage of closing a gap in the statute which technological advance has revealed.

We have a stoppage. It is the third stoppage the public has had to suffer. As of last week the minister denied that there was any possibility the stoppage would take place. It is a stoppage caused by the failure of the minister to bring into the department people who have the slightest concept of what collective bargaining means, to bring into the department the kind of people who realize that the feudal system which has existed for almost 100 years in the postal department has now ended. Under that system the minister, the deputy minister and a couple of other key people could decide, and everybody else had to go along with their decision. That type of thing has vanished and we are now in a period when—I cannot say this as eloquently as the Minister of Labour, I am sure employers have to sit down in good faith, negotiate and try to settle matters in dispute with their employees.

The minister has failed for the second time to do this. We had a strike a little while ago when the minister headed the post office. We have a stoppage today. I suggest in all seriousness that this minister, having failed so miserably to understand the most elementary facts about labour-management relationships, in a department which is of such vital concern to the people of Canada and their everyday living, ought to resign. He ought to make way for a minister who will put people first and let matters which are important be settled by negotiation and conciliation, rather than by work stoppages.

Mr. McCleave: Mr. Chairman, I think most of us regret that the department which is closest to Canadians in their day-to-day life should also be the subject of most controversy in Canada today. The difficulties in the Post Office far outweigh those in any other department of government; and believe you me, with this government that takes some doing. Yet this is precisely the state in the Post Office Department at the present time.

I ask the minister this question: Did he have any warning that his difficulties were going to be compounded at this time or did they come like a bolt from the blue? I suggest that the Postmaster General had ample warning. I suggest that the difficulties of the previous postmaster general gave him a warning. But in addition there has been the Montpetit report, that fat volume put out by the commission outlining the grievances found by that judge of the Quebec Superior Court. He felt those grievances should be remedied. Some of them have been remedied.

In addition, there was the new, collective bargaining legislation which we in this house passed in good faith a few years ago. Combining the factors of Montpetit and collective bargaining, the result was that people who had been content to put up with certain conditions over a long period of time were suddenly faced with the fact that they had a responsibility to themselves to do something to better their conditions. I think everybody in the house will agree with that philosophy. I know I preached it myself when I addressed dinners of postal unions at that time. I said: If you have these working conditions of which you complain, do not sit around and take them any more; get out and take them up with your management. Deal at arm's length with each other, and do your best to remedy them.

That spirit is now abroad in the Post Office of Canada. The Postmaster General takes time out with amateurish dabblings in another minister's department, telling us how NATO should or should not operate. Then, he turns to the Post Office and delivers his offhand pronunciamento. No wonder half the country has postal difficulties. I say those warnings were there before the Postmaster General was elected and, subsequently last fall, became a member of the ministry. He has nobody to blame but himself for what is happening in Canada at the present time.

The minister should have had warning from the events of last year when the increases were brought about which have caused consternation. The difficulties, which still have not been fully assessed in the newspaper field, are very much with us in the magazine field. For example, the March, 1969, issue of the *Legion* contains an article headed "We Face a Crisis". It was written by the dominion president, Mr. Robert Kohaly, who is also chairman of the national magazine executive committee. The *Legion* publication had enjoyed its second class mailing rates for more than 40 years. It was aware that increases were coming. This editorial says:

> The *Legion* had prepared for the increase in second-class rates, roughly from half-a-cent a copy to two cents a copy, and had adjusted its 1969 budget to meet a monthly increase in mailing costs of from $1,300 to $5,000.

Then came the mighty hand of the Postmaster General, and this is the result:

> —the cost of mailing (the *Legion* magazine) after April 1 will be seven cents a copy or a monthly mailing expenditure of more than $19,000 or $228,000 a year!

This is a group that expected its postal bills would increase from, say, $15,000 to $60,000 Their postal bills went all the way up to $228,000 a year. Says the *Legion* editorial:

• (9:30 p.m.)

These new rates will put many fraternal and trade publications out of business.

If this is good management of a government department by a minister, then I would hate to see an example of poor management. This policy, which must have been studied by someone in the department, is wreaking havoc in an important part of our communications life.

In addition to these outrageous increases, there is the problem of slow mail delivery. In a November issue, the *Register* put it as well as anybody could. The *Register* is published in Kingston but it has offices in Toronto. This editorial reads:

The Toronto papers reach that city by 2 a.m. Thursday morning. Yet in some cases, those papers do not reach Toronto parishes before the following Wednesday.

By that time the news in them is about as up to date as the Old Testament. The editorial goes on to say:

Occasionally, papers addressed to the *Register's* Toronto office, which is within walking distance of the main Toronto post office, will not be delivered until the following Monday.

Again, I say that the duty of the Postmaster General was not to dabble and meddle in the North Atlantic Treaty Organization but rather to concern himself with the proper functioning of the Canadian mailing system. I say that in this he has failed Canadians and this parliament abysmally. It is strange that a man who is supposed to communicate has employed a method of communication that has been less than satisfactory and has become embroiled in labour difficulties that have been noted in the debate today.

Finally, I should like to draw to the attention of the committee a curious provision. The section which we are now considering, dealing with the establishment of a Department of Communications, deletes the requirement of the former legislation that the headquarters of the Post Office be established in Ottawa. I notice that this requirement has gone by the board with the establishment of the Department of Communications. I hope to have an explanation of this change before this part of the bill is passed.

[Mr. McCleave.]

Mr. Dinsdale: Mr. Chairman, earlier this evening the Postmaster General refused me the courtesy of allowing me to conclude my remarks. I did not intend to resume the debate at this time but after thinking about the matter I should like to say that it is the first time in my 18 years in the House of Commons that a minister of the Crown has not extended that courtesy when requested. It is that situation that prompts me to re-enter the debate at this time. Other hon. members have expressed concern at the Postmaster General's refusal to listen to reasonable suggestions that are made from this side of the house. The Postmaster General is not now in the Montreal stock exchange; he is in the high court of parliament where members of parliament who represent their constituencies in the various and diverse regions of Canada have a duty and an obligation to speak on behalf of their constituents. That is precisely what I was doing when I spoke in the debate earlier tonight. The Postmaster General referred to that as wasting time, and as the debate proceeds I have come to the conclusion that perhaps he is right in this regard. No matter what anybody said on this side or on the government side of the house I am sure it would make not the slightest impact on the Postmaster General. He is like the fellow who said: "Do not confuse me with facts, my mind is already made up".

The issue that I brought before the house was a fundamental one and I am not the only one to have raised the point. I will continue to raise it as long as there is an opportunity to do so because it is of the greatest importance to western Canada, the area which I represent. The *Winnipeg Free Press*, which is the organ of the Liberal Party in my province, Manitoba, has belaboured the point in and out of season. One of its outstanding columnists, Mr. John Robertson, in commenting recently on the Postmaster General's refusal to listen to advice and to reasonable suggestions said that the Postmaster General has been urging Canada to withdraw and resign from NATO but perhaps it would be much better for the Government of Canada and the people of Canada if he resigned his portfolio. This seems to be the situation that is developing in dealing with what my colleague said just a moment ago concerns the day to day life of people all across Canada, our postal services.

The point that I was making—and which I would have concluded within two minutes had the Postmaster General extended me the

courtesy for which I asked—was to try to point out to him that in closing down rural post offices he might be making infinitesimally small savings which, as has been indicated, will amount to $292,000. At the same time he is playing havoc with a fundamental social organization in the rural parts of western Canada, as well as in other parts of the country. I am sure the same problem applies to the maritimes as well as to the rural parts of Ontario and to the province of Quebec. Most of these post offices are located in the general store. In many cases, as I have gathered from personal contact with the situation and from representations that I have received in letters, it will mean the difference between whether the store remains in business or whether it goes out of business. This is one of our great sociological problems at the moment, namely the depopulation of the rural areas and the increasing trend toward urbanization.

This means that we are faced with the chronic social problems of urbanization that will be a lot more expensive to cope with than the servicing of the rural communities of Canada through the small rural post offices. This is the point I want to make, and I want to encourage the minister to give it earnest reconsideration. If he wants to save money in the millions and not only $292,000, there are all sorts of examples of waste and extravagance in the Auditor General's report. If rural mail service is downgraded the government will save money and at the same time a fundamental communication service that has been the responsibility of the Canadian government ever since confederation 100 years ago will be destroyed.

At the beginning of this great debate last fall a committee of 35 backbenchers on the government side was formed to protest against what the Postmaster General was doing with regard to the reorganization of his department. I understand that his committee of 35 made such a strong impact on the Postmaster General that he partially altered his decision. I would urge that in some way this committee should be reconstituted, possibly on Wednesday morning when members opposite are in caucus. In the privacy of caucus they can inform the Postmaster General in no uncertain terms that he is completely out of touch with the basic needs of this country, as I have already indicated through the comments of such illustrious journalists as Mr. Robertson. I could have quoted Mr. Bruce Hutchison who comes from the same province as does the hon. member for Burnaby-Seymour, B.S. for short. I understand that the hon. member for Burnaby-Seymour was a member of this committee of 35, and perhaps he will take responsibility for reorganizing the committee. If the Postmaster General will not listen to members of the opposition, surely the backbenchers on the government side will be able to get through to him.

• (9:40 p.m.)

Although the hon. member for York East, who is not in his place tonight, has indicated that the government has ordered that there should be no disagreement, no change in what the cabinet dictates, surely there are members opposite besides the hon. member for York East who have the courage of their convictions and are prepared to speak up on behalf of their constituencies.

Mr. Perrault: I had not intended to take part in this debate but since reference has been made in the house to the position I am supposed to have taken I think I should stand up and make my position clear. I was not a member of this rumoured group of 35 but I do know, as I believe most members of this house know, just how difficult a task is facing the minister responsible for the post office.

There was a ludicrous situation—we discovered this in meetings of the committee—which saw no change in postal rates for publications since 1957. And before that there was another 20-year period in which the rates were left unaltered. As far as the Canadian taxpayer is concerned, the situation would assume disastrous proportions unless a minister had the courage to initiate the kind of program my hon. friend is attempting to pilot through the House of Commons.

Members who have spoken in this debate have been careful not to refer at any time to the economic impact on Canadian taxpayers of continuing deficits in the Post Office Department, deficits which would have reached enormous proportions in a few years had not major surgery been undertaken by the present minister. Not one statistic has been produced to buttress the arguments which have been advanced, mainly for political purposes, in this debate. No mention has been made of the $134 million deficit which would have arisen in the forthcoming fiscal year had not decisive action been taken.

I have listened in vain tonight for the views of opposition parties with respect to this new department of communications, this vital area which involves other media as well

as the postal services. Scarcely a word has been spoken about the communication satellite. Scarcely a word has been said about the future of educational television, even in its technical aspects. Not a word has been said about the fact that in the bill before us there is the possibility of the emergence of one of the greatest government departments in our history.

There has been no discussion of methods by which we can improve communications to the northland beyond the use of the postal services. Opposition members have been content to rake over the cold embers of political acrimony. One really suspects they would like to append a footnote to each of their speeches: Local papers, please copy. Their speeches have been designed for maximum publicity on the home front, not really as a constructive contribution to the dialogue.

Mr. MacInnis: A point of order, Mr. Chairman, arises from the remarks made by the hon. member for Burnaby-Seymour which, beyond any question or doubt impute motives to others who have participated in the debate.

Mr. Basford: Don't be so sensitive.

Mr. Perrault: These are comments from an hon. member who has never shown any sensitivity for the feelings of others in this house.

Mr. MacInnis: Mr. Chairman, when a member of this house raises a point of order it follows that the Chair should rule whether or not the point of order raised is a legitimate one.

I shall be satisfied with the judgment of the Chair, if I am told that my point of order is not a legitimate one. And I will be further satisfied if the minister would have the intestinal fortitude to get up and take part in the debate—

The Deputy Chairman: I do not think there is any point of order.

Mr. MacInnis: I rise once again on a point of order. It arises, now, from the ruling the Chair has just made. I shall raise the matter tomorrow, when Mr. Speaker is in the chair, as a question of privilege.

Mr. Perrault: I do not wish to continue much longer because I want to give others in this chamber an opportunity to take part in the debate. So many of those who have risen today to say that their freedom of speech is being restricted have taken 12 minutes of a 20 minute speech in which to make their point. Once again, one wonders how interested members of the opposition really are in speaking constructively about this new government department.

I want to say that it takes courage to advance legislation of this kind. It is always unpopular to do the difficult things in government but we have a minister here at last who has the courage to look closely at the operations of the post office, something which was not done with courage by some of the previous administrations in this country, including the administration formed by the party to my left. The minister saw this was an intolerable situation and one which could not continue. He said: It will be necessary to make tough decisions and certain jobs will be affected, but we will try to be fair about it. I say to members on the opposition side: Let them be fair in the comments they make on the subject before us.

Mr. Orlikow: Would the hon. member tell this committee whether he thinks it is fair that the people of Canada who, he says, cannot afford to subsidize the various Canadian newspapers and magazines, should continue to subsidize *Time* and *Readers' Digest* under the new rates to the tune of $1,500,000 a year?

Mr. Perrault: If the hon. member had done any research on the subject of postal rates, and obviously he has not, he would know that even with the change contemplated an enormous deficit will still have to be borne by the Canadian taxpayer in connection with the operations of the post office. There is no chance whatever that in the forthcoming fiscal year or two there will be a breakthrough. This is a holding operation. Costs were getting out of line and I would think that a party which is so interested in programs for spending the taxpayers' money would at least show a degree of responsibility in helping to hold the line.

Mr. Orlikow: The hon. member for Burnaby-Seymour does not want to answer my question and, of course, he is not bound to do so. I asked him a simple question. The figures will show—

The Deputy Chairman: I would ask the committee to come back to the bill.

Mr. Orlikow: Surely, Mr. Chairman, we are discussing the bill—the question of communications. The hon. member for Burnaby-Seymour has criticized us—

Mr. Perrault: I will answer your question. The suggestion is, I believe, that there should be no subsidy whatever. I then suggested that there would be a continuing subsidy, something like $40 million in the next fiscal year. That answered the hon. member's question, and he should have been listening. Of course, I support the measure—

• (9:50 p.m.)

The Deputy Chairman: Order.

Mr. Perrault: —but not unlimited deficits,—

The Deputy Chairman: Order, please.

Mr. Perrault: —for the taxpayers of Canada.

The Deputy Chairman: Order. We are discussing the establishment of a new department, not policy of the department or the cost of handling mail.

Mr. Orlikow: Mr. Chairman, with all due deference to you, I know the minister has flights of imagination in connection with satellites and so on, but whether the minister likes it or not this department of communications will have to administer that old warhorse, the post office.

The Post Office Department has set rates for various types of mail that it delivers. We have listened to a lecture from the No. 1 defender of this government, the hon. member for Burnaby-Seymour, who believes in constructive criticism. However, since he has been in this chamber I have never heard, and I venture to guess that I never will hear in the few years that he will be here, any criticism voiced by any member of the opposition that the hon. member for Burnaby-Seymour considered to be constructive.

Mr. Perrault: You are absent from the house too much and do not hear these things.

Mr. Orlikow: As far as absence from the house is concerned, I will stake my record against yours.

The Deputy Chairman: Order, please. The hon. member should be given the opportunity to make his remarks. I ask the hon. member to come back to the part of the bill we are discussing, namely clause 7, the establishment of the new department. If the hon. member can relate his remarks to clause 7, I should be very pleased to hear him do so.

Mr. Orlikow: Mr. Chairman, first of all, clause 12 of the bill, on page 4, deals with the Post Office Department.

The Deputy Chairman: Order. I would bring to the attention of the hon. member that the committee is discussing clause 7, on page 2 of the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it was agreed when we started debating this bill that on each of the several parts of the bill we would on the first clause again have a general discussion of the whole part. I submit that we are now on the part dealing with the communications department, which does include the Post Office Department.

The Deputy Chairman: Order. I understand the hon. member and I thank him for his advice. Clause 12, to which the hon. member for Winnipeg North referred, reads as follows:

> Section 3 of the Post Office Act is repealed and the following substituted therefor:
>
> "3. (1) There shall be a department of the Government of Canada called the Post Office Department over which the Postmaster General shall preside.
>
> (2) The Minister of Communications is the Postmaster General and has the management and direction of the Post Office Department."

Mr. Orlikow: Mr. Chairman, that is precisely what we are discussing. I am not asking for any special consideration. The hon. member for Brandon-Souris made two speeches on this clause dealing with the effects on Canadian publications of increases in the postal rates, and you permitted him to speak. Then, the hon. member for Burnaby-Seymour started to berate the hon. member for Brandon-Souris and other members for not being constructive. "Of course there have to be increases in postal rates", says the hon. member for Burnaby-Seymour. Then I asked the hon. member for Burnaby-Seymour, if there did have to be increases in postal rates, whether the government would continue to subsidize farm publications that are going out of business, the ethnic press which is going out of business and labour union publications, such as the C.N.T.U. magazine of which the minister of economic expansion was president for so long, and which has suspended publication.

If the government cannot then does the hon. member for Burnaby-Seymour think it fair that the Canadian taxpayer should subsidize *Time* and *Reader's Digest* to the tune of

$1.5 million a year? The hon. member for Burnaby-Seymour—

The Deputy Chairman: Order, please. I would ask the hon. member to kindly confine his remarks to the bill, not to the remarks made by the hon. member for Burnaby-Seymour.

Mr. Orlikow: I am just finishing. I think the record will indicate to anybody who wants to read it that the hon. member for Burnaby-Seymour refuses to answer that very simple question. Of course he will always defend interests such as *Time and Readers Digest*. Why not, they are Liberal organs?

Mr. Perrault: Mr. Chairman, on a point of order, I have answered the hon. member three times. There is now an attempt to gain political mileage on the part of the hon. member from Winnipeg North, and I do not think this is worthy of him as a member of the House of Commons.

Mr. Peters: Mr. Chairman, I had not intended to take part in this part of the debate, and I would not think of letting the hon. member for Burnaby-Seymour take me off on that particular track. The part of the bill that interests me concerns the post office. I am one of those who has had some experience over the years watching the operations of the post office, and I have always felt that the Postmaster General of Canada did not have much to do. However, looking back over those years, I can say now that the post office was run very well.

In my area, and I think the same is true in others, people are writing me daily telling me that the postal service has gone back 40 years. We do not live far from Toronto, which is our major business centre. Previously we were able to put mail on the train at night that would be in business offices in Toronto the following morning. Letters mailed from business offices in Toronto were distributed to every community in my area the next morning, usually by ten or eleven o'clock. If this mail missed the five o'clock collection out of Toronto it was delivered in the afternoon. This includes deliveries to the rural routes. Today, a letter may take five days to come from Toronto I have documented evidence that certain classes of mail—

The Deputy Chairman: Order, please. It being ten o'clock it is my duty to rise, report progress, and request leave to sit again at the next sitting of the house.

Progress reported.

[Mr. Orlikow.]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

POWER—URANIUM CITY—ELECTRICAL SERVICE SUPPLIED BY UTILITY COMPANY

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I was prompted to raise a question the other day by requests I received from Uranium City and Eldorado, mostly from Uranium City. The question was:

• (10:00 p.m.)

—in view of the widespread dissatisfaction with the high cost and poor quality of the service offered residents of Uranium City by the private utility company presently supplying electricity to the area, can the Acting Minister of Energy, Mines and Resources say whether Eldorado Nuclear Limited, the Crown corporation primarily concerned with the development of the community, has considered taking over this service directly, itself, or alternatively, using its considerable local influence to get the service improved?

I have raised this matter, Mr. Speaker, because I received a petition signed by 386 persons in Uranium City, together with a copy of *Northland News* in which the situation is set out. The petition reads:

We, the people of Uranium City, strongly protest the high cost of our electrical power.

We do not understand why Northland Utilities has not revised and lowered power costs long ago.

We are very much aware of electrical appliance damage and lamp burnouts caused by the utility's wide voltage swings.

We are also apprehensive over the fact that the utility does not provide some form of stand-by plant as protection against line failure, such a failure in 40 below temperatures could result in catastrophe for our families, apart from damage to our homes and property.

Our opinion is that Northland Utilities power rates are ridiculously high,—

I was under the impression that the power lines were installed by a Crown corporation some time ago. Eldorado Nuclear Limited is the Crown corporation in question. How a privately owned company known as Northland Utility can be allowed to make a mark up of almost 100 per cent at the expense of people living in the area, escapes me. We know that those people are living far from large centres in a mining area. All the same, they cannot see why their electric power rates should be so high. *Northland News* of

January 23, 1969, had this to say, in part, about the matter:

> Northland Utilities came under fire Monday night when Town Council questioned power officials about low voltage complaints, customer servicing, the inability to contact company officials based here, and the high cost of power to the consumers.

As I say, this is a mining town, and its people cannot see the need for the very high power rates. I think my remarks have pretty well covered the case. I have a copy of the petition, and I could give it to the minister, together with any pertinent material I have in my possession.

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, Eldorado Nuclear Limited has not considered taking over the services directly, itself. So far as the rates are concerned, these have been under consideration for some time and representations have been made by Eldorado Nuclear Limited. It is hoped that there will be a reduction of rates. Since there have been no direct representations to Eldorado Nuclear Limited about the quality of service, Eldorado Nuclear Limited has not considered using its influence with a view to having the service improved.

SCIENCE SERVICES—MINISTERIAL RESPONSIBILITY FOR POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, some days ago at a winter conference sponsored by the Canadian Institute on Public Affairs and the Canadian Broadcasting Corporation the chairman of the Science Council, Dr. Solandt, made a speech in which he repeated statements which he had made on other occasions to the effect that improvements are needed in the federal government's science policy machinery, and advising the appointment of a minister for science policy.

On March 5, I asked the Prime Minister (Mr. Trudeau) if the government was considering making such an appointment and I was told by the Prime Minister that the President of the Treasury Board (Mr. Drury) was in fact that minister. On another occasion when asked a similar question by my colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), the Prime Minister pointed to the Minister without Portfolio (Mr. Lang), the hon. member from Saskatoon-Humboldt, as being that minister. On a third occasion when asked the same question he referred to the Minister of Industry, Trade and Commerce (Mr. Pepin) as the minister responsible for science policy.

This is an extremely important matter, Mr. Speaker. The Secretary of the Treasury Board, Mr. Reiseman, testifying before the Senate committee which is investigating science policy said that the decisions of the government with regard to science policy were largely accidental. When one recognizes the fact that in the last several years government commitments to proceed with three very important scientific research programs have been scuttled, so far as one can see without very serious discussions with the scientific community, one realizes the importance of having a government minister responsible for making decisions in this field.

The Queen Elizabeth Observatory, which was to be built in British Columbia, has been cancelled. The HARP project being conducted by the physics department at McGill University has been scuttled and is now operating out of the United States with scientists in charge who were formerly on the staff of McGill University. Tne ING project which was being pushed very hard by the physicists of Canada has also been scuttled.

I am not an expert on science policy, and I suppose no member of this house is an expert on it. I hold no particular brief for these projects. I am not an expert on them any more than I am expert about the money we spend on medical research, or on agricultural research, or on defence research,—most of which seems to have been a failure—but I would like to think that with respect to the hundreds of millions of dollars that we spend the people and the government of Canada are getting some solid advice from the people who know best. Yet, Mr. Speaker, that does not seem to be the case.

An article which appeared in *Science Forum* in November 1968, written by Dr. Martin W. Johns, a physicist at McMaster University, said in part:

> What science policy there may be seems to be directed by persons who neither understand the legitimate goals of science nor have direct communication with scientists—within or without the government service.

Similarly, Dr. L. E. Howlett, writing in *Science Forum* in the October 1968 issue said:

> Too often the argument in favour of a costly project with heavy continuing commitments is that it is good science and excites the imagination. Too rarely is there a good case to support its direct relevance to Canada's future needs and a realistic appraisal of its probable value to the country as compared with the same money spent on other projects.

Dr. Howlett is a former National Research Council scientist. I could go on. Professor

Proceedings on adjournment Motion

N. H. Lithwick, writing in the *Journal of Canadian Studies* in August of 1968, in an article entitled "Science policy in Canada" says the following about our so-called science policy:

• (10:10 p.m.)

After an examination of the conduct and financing of such activity by government in Canada, it is safe to conclude that there is no science policy, except perhaps the conviction that science is a good thing. This in turn stems from an absence of social policy as a whole, so that scientists have been free to develop their art as it pleases them.

Later, he says:

Indeed, the government has clearly chosen to leave future decisions on science policy in the hands of the scientists.

He concludes his article by saying:

How these priorities will be allocated by a body made up largely of scientists in the absence of a set of articulated public objectives raises our most fundamental fears—fears not at all alleviated by reassurances of the chairman that the Council will co-operate wih social and behavioural scientists.

The point I am trying to make simply is that in my opinion it is the duty and responsibility of the government of Canada to establish a system of priorities so that the money which the government decides Canada can afford to spend in the field of scientific research shall be spent to the best advantage of the people of Canada as a whole. That, in my opinion, requires a minister responsible for science policy who can make reasonably sound decisions in respect of what this country needs after consultation with the scientific community in the government, in the science council, in the universities and in industry, on the one hand and the members of the cabinet on the other hand who know the total needs and commitments of the Canadian people. I submit that despite our science secretariat or council the government does not have such a policy.

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, in reply to the hon. member for Winnipeg North (Mr. Orlikow) I should like to say that I answered part of a question on this subject on February 20 this year as recorded at page 6790 of *Hansard* when I replied to a similar question asked by the hon. member for Oshawa-Whitby (Mr. Broadbent). The only other thing that might be added at this time is that if there is any statement to be made by the Prime Minister on this subject it would be made on motions, which is the time when government policies are announced.

[Mr. Orlikow.]

POST OFFICE DEPARTMENT—EFFECT OF RATE CHANGES IN NON-PROFIT PUBLICATIONS

Mr. Barry Mather (Surrey): Mr. Speaker, like a number of other members of the house I have tried at one time or another on orders of the day and at other times to raise a question concerning the inordinate increase in postal rates on what I term non-profit publications in Canada. I do so again tonight, particularly following what I thought was a rather curious reply made to me by the Postmaster General (Mr. Kierans) last week when I asked a question of that nature. If I understood him correctly he said at that time that instead of the non-profit publications seeking to have redress through a lower rate of postage, their associations might consider applying to a department of government for some type of subsidy. Therefore, I take this opportunity to raise the question again tonight.

If I understood the minister correctly, his suggestion was that there might be a subsidy for non-profit publications such as scientific reviews, church papers, trade union papers and so on which in some cases have been put out of business or curtailed in respect of their publication because of the new heavy increases in rates. I think what I should like to do, in backing up my question, is to quote from the position my party expressed last October, as recorded at page 1614 of *Hansard:*

—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.

Had something like that been done at the time, we would not be in the situation many of us feel we are in today in respect of the curtailment of these publications which are not able, from other financial resources, to meet their costs of publication. I refer to those publications I have mentioned before relating to unions, churches, scientific associations and other such small publications. In my view what the government is doing is actually curtailing communications in these fields.

I am one of those who favour proper and heavy increases in the rates on business publications, and business mail generally. They have been subsidized for many years by the ordinary consumers in Canada who have paid the first class rate. However, this is a very different situation to that which we find described in the Ottawa *Citizen* which made a

review of non-profit publications six or seven weeks ago. On January 29, the Ottawa *Citizen* in an article had this to say:

> Among the hardest hit are the independent Canadian union papers which have lost second class mailing privileges and have been assured by a Post Office official that they have no chance of regaining them. Here are some samples of the postal cost increases these papers face, as of April 1:
>
> From $1,057 per annum to $29,696 per annum—
> From $9,024 to $84,756—
> From $18,000 to $72,000—

This list goes on. I feel that this situation was outlined by another one of these non-profit publications put out by the Association of Canadian Welfare Councils. I urge the minister to take a second look at the situation. The Canadian Welfare Council says:

> If Canada were to suddenly be without such regular periodicals as *Canadian Geographic, Community Planning Review, Canadian Consumer, The Canadian Author and Bookman, The Observer, The Canadian Nurse,* and a host of other journals published by professional, ethnic or cultural groups across the country, it would be as though half the lights in a house had suddenly been put out.

As one who has long urged and complimented the minister on his energy and common sense in increasing rates in respect of private mail, I urge him again to take another look at what is happening. Perhaps he will then reconsider the application of such legislation to non-profit papers in Canada. This was perhaps less than well thought out legislation. I hope he will take a second look, just as he has announced today he is doing in respect of the postal workers' conditions. He should have an impartial second look at this situation.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we have dealt with this question extensively during the debate on postal rates and the postal bill itself. We have attempted to answer the questions as fairly and as objectively as possible during various question periods in the last four or five months. I feel I am almost repeating myself when I attempt to answer the submissions put forward by the hon. member.

• (10:20 p.m.)

We are faced with a situation in which we are handling 17 newspaper or journal publications for 1½ cents. There is no possible way in which the government could recover other than the smallest fraction of its costs in this regard. When a non-profit organization sets itself up in business, it expects to pay the people who work for it. It expects to pay for its paper, ink, printing, legal fees, auditing fees and all the other costs that go into the operations. Why should it not expect to pay the postage rate? Why should it expect to get stamps free or at a cut rate? The exaggeration that has gone on in this area is virtually impossible to believe. For example, a great deal of to-do has been made about the fantastic increases faced by the *Queen's Quarterly,* a journal that many of us agree is a definite asset to the quality of Canadian life. It is said that publication cannot bear the increases. Subscribers to the *Queen's Quarterly* will have to pay exactly four cents more a year.

I have dealt with the non-profit publications and editors of the unions and have been able to point out that in most cases, for example, the United Automobile Workers, the increase in postal rates would mean an increased charge to their members of 35 cents a year. A farm and country newspaper, which is indicative and a real example of all the farm newspapers, which has a nominal subscription rate of $1.50 but which in effect charges 98 per cent of its subscribers only 25 cents a year, will now have to charge 35 cents a year.

The Acting Speaker (Mr. Béchard): Order, please.

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday March 11, 1969

The house met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, March 11, 1969

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 11th March, 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.

ROUTINE PROCEEDINGS

DOMINION CONTROVERTED ELECTIONS ACT

YUKON—CERTIFICATE OF JUDGMENT IN MATTER OF ELECTION

Mr. Speaker: I have the honour to inform the house that I have received from the Hon. Mr. Justice A. Bruce Robertson, a judge of the Court of Appeal of British Columbia and the Hon. Mr. Justice Victor L. Dryer, a judge of the Supreme Court of British Columbia, the two judges appointed for the trial of a petition pursuant to the Dominion Controverted Elections Act, a certificate of judgment in the matter of an election in the electoral district of Yukon.

MOTION TO ADJOURN UNDER S.O. 26

POST OFFICE DEPARTMENT

ALLEGED DETERIORATION IN EMPLOYER-EMPLOYEE RELATIONS—MOTION TO ADJOURN UNDER STANDING ORDER 26

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the house under Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent public consideration, namely the serious deterioration in employer-employee relations in the Post Office Department, and the need for the immediate appointment of a new Postmaster General—

• (2:10 p.m.)

Some hon. Members: Oh, oh.

Mr. Orlikow: —who will establish good relations with the employees of the Post Office and restore the service of the department to levels commensurate with the needs of the Canadian people.

Mr. Speaker: As hon. members know, the rules of the house require that a notice of motion proposed under Standing Order 26 should be filed at least two hours prior to the opening of a sitting. I regret to say that the hon. member has not complied with this requirement. I suggest to hon. members that there is no discretion, under the rules, which would allow the Speaker to overlook this very specific requirement. In any event—and this may be some consolation to the hon. member—I think that the considerations outlined by the Chair yesterday in connection with the proposed motion of the hon. member for Hillsborough (Mr. Macquarrie) would apply also today in connection with this proposed motion.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

REQUEST FOR THIRD PARTY MEDIATION TO AVERT WALKOUTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Postmaster General. I ask him whether, in the light of the possibility of a further walkout in Winnipeg and the probability of a walkout in Montreal on Thursday, he will take the initiative to have a third party mediate the root causes of the dissatisfaction in his department with regard to these disputes, rather than depending upon

the time-consuming settlement of individual grievances, as is now his policy.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I am glad to inform the house that whereas there were more than 1,500 letter carriers off duty yesterday, there are less than 700—in fact, 649—who have not reported for work today.

To reply directly to the question of the Leader of the Opposition, I should like to say that the Post Office has waived all preliminary steps in the grievance procedure. The relevant documents are now in the hands of the union for approval, and as soon as this approval is given we can immediately proceed to name an adjudicator to rule on the outstanding grievances. This is something we have wanted for some considerable time. I am delighted that the discussions have finally reached this stage. I would hope that the people who are striking today will return to work tomorrow, so that the adjudication procedure can proceed in an atmosphere of serenity.

Mr. Stanfield: A supplementary question, Mr. Speaker. We are all, of course, interested in seeing things returned to normality. I assume from what the minister said that the procedure adopted relates to individual grievances. The question I asked was whether the minister would not moderate his policy so as to refer the root causes of dissatisfaction to third party mediation, rather than resort to the time-consuming procedure he is now following, which may settle individual grivances but may not actually restore peace to the operations of his department.

Mr. Kierans: Mr. Speaker, the individual grievances we have selected are those that bear on the root causes or the root differences between the unions and ourselves. Therefore when the adjudicator pronounces on one of these representative cases he will undoubtedly be giving a decision that will be binding in the more general case on both sides.

Mr. Stanfield: I have one further supplementary question, Mr. Speaker. I should like to ask the Postmaster General whether it is his intention to proceed with prosecutions, as he has indicated, or whether he is going to seek a settlement.

Mr. Kierans: Mr. Speaker, one of the reasons why I am extremely hopeful that the strikers will return to work tomorrow is that the continuance of illegal strikes would obviously make prosecution inevitable. It would not be inevitable, given the decision of the national executive of the letter carriers union on Sunday night ordering all their workers back to work, which is what Mr. Décarie did. Under those circumstances I think that my colleagues and I will review the situation.

In the meantime, what I said on Friday stands, that is, first that we were applying to the staff relations board for a ruling that this strike is illegal and is against the people and the government of Canada, and second that if they did declare the strike to be illegal we could have the consent of the board to prosecute. That was the position on Friday night.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a supplementary question to the Postmaster General. In view of the fact that the Postmaster General has stated that he has been trying for three weeks to get the postal workers to submit this dispute to a third party for adjudication, may I ask him whom he advised of his willingness to take this step, whether it was done orally or in writing, and when it was done. If it was by means of correspondence, would the minister be prepared to table the correspondence in the house?

Mr. Kierans: I advised a number of local unions during my trip out west that if they did not agree with the idea of eliminating the additional sorting period at one o'clock in the afternoon they should adopt the legal procedure of filing a grievance. I also repeated it before a joint meeting of the two national executives held at the Beacon Arms Hotel about a month ago—I cannot give the exact date—at the time when we discussed the implementation of the new system, and I told both national executives in the presence of both presidents that the proper way of attempting to upset this was not in a test of force, one side attempting to blackmail the other, but to proceed through the legal means that this government gave them when they gave them the right to strike.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a supplementary question to the right hon. Prime Minister. In view of the fact that initial proceedings have been taken toward taking action against certain postal employee representatives, with a view to prosecution and in view of the harmful effect this will have upon employer-employee relations between the Postal Department and its employees, may I ask the Prime Minister whether he would intervene to ensure that

these prosecutions or any initial steps leading toward prosecution will not be proceeded with?

Right Hon. P. E. Trudeau (Prime Minister): To what prosecution is the hon. member alluding?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I understand that already the Staff Relations Board has notified certain representatives of the postal workers that they are to appear on March 17 with a view to preliminary discussions before prosecution.

Mr. Trudeau: These are not prosecutions; they are subpoenas in order to permit the board to establish whether or not the strike is illegal. They have nothing to do with prosecutions.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister a further question? Are these discussions which are to be held with the Staff Relations Board taking place with a view to deciding whether or not prosecutions should be proceeded with, and would the Prime Minister withhold these discussions?

Mr. Trudeau: The hon. member is really distorting the role of this board, Mr. Speaker. The purpose of the hearing is to establish whether the strike is illegal or not, and in order to do this the board will subpoena witnesses to get the facts. That is all the witnesses are being subpoenaed for.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In order to blackmail them—

Mr. Trudeau: Do you want the board to have the truth or not?

Hon. George Hees (Prince Edward-Hastings): Has the Postmaster General yet been able to consider the suggestion that he hand over the conduct of this dispute to the Minister of Labour, who could substitute some knowledge of industrial relations for the minister's bull-in-the-china-shop methods?

Mr. Speaker: Order.

Mr. Robert Simpson (Churchill): A supplementary question to the Postmaster General. Is the minister in a position to advise the house whether a decision has been reached in relation to representations made to the Deputy Postmaster General in mid-February on behalf of the postmasters of Canada?

Mr. Kierans: I will look into that, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): As a supplementary question, may I ask the Postmaster General how he squares his statement now, to the effect that the government has been trying for three weeks to arrange for third party adjudication, with his statement in the house on March 4 that there was no necessity for third party adjudication.

Mr. Speaker: I suggest to the hon. member that the question as asked is argumentative in nature.

Mr. Knowles (Winnipeg North Centre): Then may I ask a different supplementary question? May I ask the Postmaster General whether, in view of his desire to conduct these discussions in an atmosphere of serenity, he will hold in abeyance the cause of offence, namely the single sortation schedule.

Mr. Kierans: We believe that it is an improvement, Mr. Speaker and that it will increase the productivity of the people who work for the Post Office. As long ago as October 2 the Deputy Minister, then Assistant Deputy Minister, advised both unions verbally, and by letter on October 3, that the department was considering introducing a single mail processing system, together with the five-day week. Since that time and during all that time we have been discussing it with them. We have given ample notice of our intention. We have not in any way disturbed the security of the people involved; their jobs have been guaranteed, although we have pointed out that this could require some reworking of existing methods.

I might say, Mr. Speaker, that there are very few institutions in Canada the employees of which are doing exactly the same kind of work as their grandfathers did.

Mr. Speaker: I wonder whether the minister is not now making a statement.

Mr. Hees: Six days work for five days pay.

Mr. Speaker: Order. Perhaps I might allow one more supplementary.

Mr. Knowles (Winnipeg North Centre): My supplementary question relates to the single sortation system. Since this does seem to be the bone of contention would it not make sense to suspend it while the discussions are under way?

Mr. Kierans: I do not believe so, Mr. Speaker.

Inquiries of the Ministry

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Postmaster General.

Would he and the government consider the possibility of submitting workers in the public sector to compulsory arbitration since union members reject and break agreements?

Mr. Kierans (Postmaster General): Mr. Speaker, I did not understand the question. Is the hon. member referring to Rod Service Limited?

Mr. Latulippe: No, Mr. Speaker. I would like to know whether Post Office Department or the government is considering the possibility of establishing compulsory arbitration in the public sector?

Mr. Kierans: Mr. Speaker, that question could be directed to the Minister of Labour.

[*English*]

PUBLIC SERVICE

THE QUEEN'S PRINTER—INQUIRY AS TO ABOLITION OF OFFICE

Right Hon. J. G. Diefenbaker (Prince Albert): My question arises out of the question I asked yesterday in regard to the Queen's Printer. Is the Prime Minister aware that the government, or a department of government, put a sign on the billboard of the printing office in Hull in December, 1968 advising that the position of Queen's Printer was being abolished, following which Mr. Duhamel found himself in general circulation? Since it appears that the Queen's Printer is going to be a speculative possibility, may I ask the Prime Minister whether he intends to appoint a Queen's Printer, so designated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as a result of the reorganization act the position now held by the Queen's Printer will be put under another department, that of supply and services, with specific provision in the bill for the post of Queen's Printer. There will be an official, or an office so designated.

The gentleman who until December held the title and post of Queen's Printer has been assigned to other duties within the government. This means that there is no one at this point in time exercising that function. This is because the bill itself has not been adopted by this house. Under the new reorganization act we have to have authority to appoint this

[Mr. Kierans.]

gentleman under another department, rather than the department where he is now.

Mr. Diefenbaker: Mr. Speaker, so that there is no mistake, is the Prime Minister's answer this: that as soon as the power is received from parliament there will be a Queen's Printer designated?

Mr. Trudeau: That is the intention of the government. Had the intention been otherwise we would certainly not have brought in a bill with the post of the Queen's Printer specified therein.

THE CANADIAN ECONOMY

INQUIRY AS TO STEPS TO REDUCE POVERTY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As inflation has increased considerably in each of the six months since the Prime Minister said in this house that the government's main thrust against the growth of poverty would be control of inflation, is the government planning to initiate new moves to stop poverty from increasing at its present steady rate in this country?

Mr. Speaker: Order. The hon. member is obviously asking the Prime Minister, or a minister, to make a very general statement. It seems to me that it is the kind of statement that ought to be made on motions.

Mr. Hees: Then may I rephrase the question and simply ask the Prime Minister whether he is planning to initiate any new policies in the future—yes or no—to stop poverty from increasing rapidly in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the opposition wanted to refrain a little bit from asking for new expenditures every time it has the chance, perhaps inflation would not be rising so fast.

Mr. Hees: A supplementary question. Does the Prime Minister not consider that perhaps this negative type of response is responsible for the fact that the majority of the Canadian people now consider the government is doing an unsatisfactory job—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Hees: —as expressed by the latest Gallup poll?

Mr. Speaker: Order, please.

WATER RESOURCES

SURVEY OF REQUIREMENTS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Acting Minister of Energy, Mines and Resources. In view of the recent study released by the United States interior department regarding the possible importation of water from Canada, I would ask the Acting Minister of Energy, Mines and Resources whether the federal government has undertaken a survey of our water resources and our water needs and, if so, when will a report to the house on these studies be made?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, both the department and the government are continually looking at the state and nature of our water resources. I am not sure that we have a study that specifically meets the suggestion included in the report to which the hon. member refers, but I will look at that question.

Mr. G. H. Aiken (Parry Sound-Muskoka): A supplementary question, Mr. Speaker. Could I ask the minister, if he does not know the circumstances at the moment, whether he would also inquire if two engineering firms have actually been engaged by the government to undertake such a survey?

[*Translation*]

AGRICULTURE

POTATOES—PROGRAM FOR ASSISTANCE OF GROWERS

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

[*English*]

In view of the extremely poor marketing conditions this year, especially in the maritime provinces, will the Minister of Agriculture announce to this house soon a program or programs to come to the aid of potato shippers and growers and the potato industry in general.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the question of possible actions that might be taken to stabilize the returns to potato producers in the maritime provinces has been referred to the Agricultural Stabilization Board for consideration and recommendation. Discussions are also going on now between my department, producer groups and provincial representatives in those provinces.

TAXATION

WHITE PAPER FOR CONSIDERATION OF STANDING COMMITTEE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. Does the government intend to publish a white paper on taxation early in June so that finance committee members may study it before the summer adjournment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I hope to publish it some time in June but I cannot say exactly when.

FISHERIES

SEALS—REPORT ALLEGING FRAUDULENT FILM PRESENTATION OF KILLING METHODS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Fisheries. Has the minister seen a report by a senior official of his department, submitted to his predecessor last February, concerning the film made by Artek Film Limited. It shows conclusively that the film fraudulently misrepresents seal killing methods in Canada. The film in question has been circulated in Europe, causing great damage to Canada's reputation and to Canada's seal hunt.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I have heard reference to this film. I will look into the matter further and answer the hon. member in due course.

Mr. McGrath: A supplementary question, Mr. Speaker. My question was about the report made by a senior official of the minister's department to the minister's predecessor last February. Has the minister read the document? Because there is great interest in this matter and because the film affects Canada's reputation abroad, will he be good enough to table the document?

Mr. Davis: Mr. Speaker, I have not read the document. I will read it first and then consider whether it ought to be tabled.

Mr. McGrath: Mr. Speaker, I will let the minister have a copy of the document, if he would like to read it. Perhaps then he will agree to having it tabled.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. At an appropriate time would the minister make a statement on motions in the house on this

matter, to clarify the entire question and restore the reputation of our Atlantic sealers. Canada's reputation abroad has suffered because of fraudulent misrepresentation of our sealing methods.

Mr. Davis: Mr. Speaker, I will consider the hon. member's representation.

Mr. Lloyd R. Crouse (South Shore): A further supplementary question, Mr. Speaker. When can we expect to see implementation of Canada's Territorial Sea and Fishing Zones legislation, enacted in 1964, in order to give us legal control over all fishing operations in the Gulf of St. Lawrence, as well as over those who film the seal hunt in the area and distribute the film?

Mr. Davis: Mr. Speaker, that question ought to have been addressed to the Secretary of State for External Affairs.

Mr. McGrath: A further supplementary question, Mr. Speaker. Since the matter of the seal hunt is most important, will the minister not agree to make a statement on motions tomorrow, or as soon as possible, and accept my suggestion to table the document I have referred to?

Mr. Davis: Mr. Speaker, I prefer first to read the document.

CONSUMER AFFAIRS

BRITISH COLUMBIA—INCREASES IN PLYWOOD AND LUMBER PRICES

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. Have the representations of the woodworkers of British Columbia been considered? They have asked the federal government to intervene in the question of alleged inordinate price increases with respect to plywood and lumber used in British Columbia in the construction of houses.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I am discussing this matter with my seatmate, the Minister of Consumer and Corporate Affairs.

[*Translation*]

PILOTAGE

IMPLEMENTATION OF ROYAL COMMISSION REPORT

Mr. Léonel Beaudoin (Richmond): I should like to ask the Minister of Transport a question.

[Mr. Lundrigan.]

Is he in a position to tell us whether a committee will be established to consider the possibility of implementing the numerous recommendations contained in the report of the Royal Commission on Pilotage? If the answer is negative, in what precise way will the government or the Department of Transport apply the measures proposed by this Commission?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, as my hon. friend knows, interim legislation was presented to the house to cover the immediate situation. It is proposed that more permanent legislation will follow that and be presented to parliament either in a year or two, or as soon as possible, to cover all matters reported on by the Royal Commission on Pilotage.

SHIPPING

CURTAILMENT OF SERVICES FOLLOWING WITHDRAWAL OF ASSISTANCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to ask a supplementary question relating to the curtailment of shipping services resulting from the withdrawal of government assistance.

Mr. Speaker: Order, please. I suggest to the hon. member that is not a proper supplementary question.

Mr. Lundrigan: May I rephrase the question, Mr. Speaker.

Mr. Speaker: If the hon. member will look around he will see other hon. members waiting to ask questions. However if he has a legitimate supplementary question to ask I will allow it.

Mr. Lundrigan: Mr. Speaker, before terminating the government's involvement in shipping firms will the minister consult with the minister responsible for regional and economic development in order that he may take an over-all view of the situation?

Hon. Paul Hellyer (Minister of Transport): If the hon. member will write to me and give the specifics of the aid he is referring to I will undertake to discuss it with the minister responsible for regional development.

An hon. Member: You will never get the letter.

[*Later:*]

Mr. Lundrigan: On a point of order, Mr. Speaker. The supplementary question Your Honour previously did not allow had to do with a withdrawal of assistance which resulted in 90 families of a certain area being without employment.

Mr. Speaker: Order, please.

TRANSPORT

EXTENSION OF FREEZE UNDER MARITIME FREIGHT RATES ACT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport, of which I gave him notice. Can he report on the status of the suggestion that the present freeze under the Maritime Freight Rates Act should be extended beyond March 23. I should add that this is to be an interim measure until the transport committee has had a chance to make recommendations.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I hope it will be possible to make an announcement on this matter well in advance of March 23.

NEWFOUNDLAND—IMPLEMENTATION OF ORDER TO REDUCE PASSENGER SERVICE

Mr. James A. McGrath (St. John's East): Would the minister also consider delaying implementation of the Canadian Transport Commission proposal to curtail passenger service in Newfoundland on April 15 until the transport committee has had a chance to report to this house and make recommendations?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do not think I have power to do that, unless appeal procedures are followed. So far as I am aware, there has been no appeal. There may be one to the Governor in Council, but I have not seen any. In the event that an appeal is forthcoming, the Governor in Council will look at it quickly.

Mr. McGrath: A further supplementary question, Mr. Speaker. The minister must be aware that the Newfoundland legislature passed an unanimous resolution on the matter. Surely that can be considered an appeal.

POST OFFICE DEPARTMENT

SUGGESTED REPLACEMENT OF POSTMASTER GENERAL

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I had intended asking a question supplementary to the one asked by the hon. member for Winnipeg North Centre. I have changed my mind and will now direct it to the Prime Minister. Now that the Postmaster General has denied he has been using Gestapo methods—

Some hon. Members: Shame, shame.

Mr. MacInnis: A bunch of idiots.

Mr. Speaker: Order, please. I ask the hon. member to put his question.

Mr. MacInnis: Mr. Speaker, surely a member of the opposition ought to be allowed to quote the minister who made the original statement.

Some hon. Members: Hear, hear.

Mr. MacInnis: Since the Postmaster General has denied using Gestapo methods and since a member of his own party last evening called him to task, will the Prime Minister consider replacing him as soon as possible?

Some hon. Members: Hear, hear.

Mr. Speaker: I doubt very much whether that question is in order.

Mr. Hees: Mr. Speaker, that was a fair question.

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order, please.

Mr. MacInnis: Thank you, Mr. Speaker. As a matter of order and ethics, since a member of his own party called the Postmaster General to task, the Prime Minister ought to consider the matter serious enough to warrant looking into, with a view possibly to replacing the Postmaster General.

Mr. Speaker: The hon. member is making a representation which he must assume will be taken into consideration.

STUDENT UNREST

ROYAL COMMISSION TO STUDY DISSENSION

Right Hon. J. G. Diefenbaker (Prince Albert): I have a question for the Prime Minister, Mr. Speaker, and it is not a provocative one. It is one in which I am sure he has a personal and a long time professional interest, namely the difficulties and dissension taking place in various universities across Canada. It is so widespread it cannot be met by provincial action. Would the Prime

Minister consider setting up a royal commission to study student dissension, to the end that, as a result of hearing the views of the students and staffs, a new sense of understanding will be established—something which apparently is getting more and more remote with the passing days?

Right Hon. P. E. Trudeau (Prime Minister): I doubt very much, Mr. Speaker, whether we would be justified in setting up a royal commission to inquire into an area of provincial administration. Of course if the provinces were to indicate to us that the area got out of hand, was no longer a problem of education and asked us to intervene in that field, I would consider it; but not otherwise.

Mr. Diefenbaker: Might I suggest to the Prime Minister that this is a matter of national importance? The government pays many, many millions of dollars to the universities and this expenditure is increasing each year. It is for that reason, not the question of provincial jurisdiction, that I make the suggestion. It is a national challenge.

Mr. Trudeau: I realize, Mr. Speaker, that many questions of national importance are under provincial jurisdiction, by virtue of our constitution. It is not because we use the spending power that we are entitled to investigate, legislate or inquire into an area which is not under our jurisdiction.

LABOUR CONDITIONS

SUMMER EMPLOYMENT OF STUDENTS—ENTRY OF EUROPEANS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the very bleak and serious outlook for students wishing to secure jobs this summer, is it the intention of the minister and his department to continue the airlift of European students to Canada this summer?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I would like to have more detail on this, Mr. Speaker, before making a definitive answer. There is an exchange of students between Canada and other countries. The Canadian students also benefit from this exchange.

Mr. Hales: A supplementary, Mr. Speaker. I did not have in mind the exchange. It was a straight direct airlift to Canada. Would the minister ensure every opportunity is given to Canadian students before such airlifts take place?

Mr. Paul Yewchuk (Athabasca): I have a supplementary question, Mr. Speaker, for the Minister of Manpower and Immigration. The question has been raised regarding summer employment for students. Would the minister be willing to make a statement on motions within the next few days with regard to what he is doing to eliminate the possible unemployment situation for students in the summertime?

Mr. MacEachen: I am sure the hon. member will have noticed in the past period that we have been undertaking a very extensive publicity campaign to acquaint employers with the needs which will occur this summer, and to encourage them to employ students where possible. We have increased our expenditures on this program. I wish to assure my hon. friend that if there are any other steps which can be taken, I will announce them to the house as soon as possible.

Hon. Robert L. Stanfield (Leader of the Opposition): I would ask the minister whether his department has investigated the problem, or whether he has informed himself of its dimensions and as to the number of students who will be seeking employment and who, in view of the situation experienced last summer, will likely have difficulty in finding employment. Has the minister informed himself as to the size of the problem which exists, and can he inform the house as to the gaps that seem to exist between the number of students who will be seeking summer employment and the number who would hope to find employment under the conditions he anticipates?

Mr. MacEachen: Yes, Mr. Speaker. I can assure my hon. friend the whole question of student employment has been under consideration and study, not only within the department but interdepartmentally. It is a serious problem for various reasons well known to my friend. The exact size of the problem is not absolutely clear, except we do know it is a major one. We are exploring every possible method to supply jobs. It will depend to a great extent upon the willingness of employers and others to consider this as a serious problem, and to assist students this summer in finding employment.

TRADE

TEMPORARY CURTAILMENT OF LOG SHIPMENTS TO JAPAN

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Fisheries and ask him if he has received a telegram from the British Columbia section of the International Woodworkers claiming that plants and sawmills are being closed down for the lack of logs at the same time that an increasingly large number of logs are being exported to Japan? Have they asked the government to restrict the export of logs until such time as domestic requirements have been met? If the minister has received this request, could I ask him what reply he has given, and what steps he intends to take to deal with the matter?

Hon. Jack Davis (Minister of Fisheries): I have received a telegram, Mr. Speaker, of the nature described by the hon. member, and I had discussions with the Minister of Lands, Forests and Water Resources for the province of British Columbia. Together we have received an undertaking from the principal log exporting companies that they will not export logs until the supply improves, or until September 1 of this year.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker.

Mr. Speaker: Unless the supplementary question is urgent, I am rather anxious to give an opportunity to other members.

FARM IMPROVEMENT LOANS ACT

ACTION TO INCREASE AVAILABILITY OF LOANS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the Minister of Agriculture. In light of recent reports that farmers are unable to receive loans under provisions of the recently amended Farm Improvement Loans Act, due to tardiness in establishing appropriate regulations, can the minister say what action if any is being taken to relieve this serious situation?

Hon. E. J. Benson (Minister of Finance): I believe this is under the jurisdiction of my department, Mr. Speaker. I will look into the question immediately.

Mr. W. M. Howe (Wellington-Grey): A supplementary question, Mr. Speaker, to the Minister of Finance. In view of the fact this legislation was passed October 15, and the farmers are in the process of arranging their spring programs, will the minister see this is looked into immediately?

Mr. Benson: I already said that.

[*Translation*]

POST OFFICE DEPARTMENT

EMPLOYMENT OF ROD SERVICE PERSONNEL

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Postmaster General.

He recently announced the cancellation of contracts with Rod Service Limited. In those circumstances, could he indicate how many employees of Rod Service Limited have since been hired by his department?

Mr. Speaker: The hon. member is asking for statistical information and I do not think his question is in order.

[*English*]

AIR CANADA

SALARIES OF EXECUTIVE OFFICERS

Mr. Robert C. Coates (Cumberland-Colchester North): I have a question for the Minister of Transport. In view of the answer provided me yesterday to written question No. 1526 that Air Canada is unwilling to provide information as to the salaries of the Chairman of the Board and the President of Air Canada, will the minister look into this matter and give consideration to making this information public?

Hon. Paul Hellyer (Minister of Transport): The criteria applied in this regard has been that salaries set by order in council were public and those not set by order in council were not divulged. This has been the dividing line. This is a precedent which has been in effect for many years in the House of Commons. Whether it was a correct one, I would not wish to debate at the moment. We are just following a precedent of long standing.

Mr. Coates: A supplementary question. In view of the fact that the salary of the President of Canadian National Railways is made available to the public, although they are in competition with Canadian Pacific Railway, and in view of the fact the salary of the President of the C.B.C. is available to the public, although they are in competition—

Mr. Speaker: Order, please. The hon. member's supplementary question is argumentative.

Inquiries of the Ministry

NATIONAL PARKS

BONNE BAY, NFLD.—REQUEST FOR REVIVAL OF SURVEY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on March 4 as recorded at page 6175 of *Hansard* I asked the Minister of Indian Affairs and Northern Development a question with regard to the restart survey work on the proposed national park at Bonne Bay, Newfoundland, as requested by the Newfoundland government. The minister replied that they are considering the matter. I wonder whether he can advise me if a decision has been made.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. We reached an agreement last week with the Premier of Newfoundland and we shall go ahead with the establishment of a park at Bonne Bay. Provincial authorities have given us a piece of land for the one they took over for the development of a mine, and they have committed themselves to build a road which will contribute to enhance the beauties of the national park.

[*English*]

VETERANS AFFAIRS

WOODS REPORT—PRESENTATION OF BRIEFS TO STANDING COMMITTEE

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Veterans Affairs. Will the various veterans organizations be given an opportunity to present briefs to the Committee on Veterans Affairs before the government or the minister declare what action if any is to be taken on the recommendations contained in the Woods report?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, it is up to the members of the committee to decide what witnesses they will hear and what briefs they will receive. I hope and trust they will hear all associations which are interested in presenting briefs to the committee.

Mr. McIntosh: Mr. Speaker, possibly the minister did not hear the last part of my question. Will you give an opportunity to these government agents to present their briefs to the committee before you make your decision on what action will be taken on the recommendations.

Mr. Speaker: Order, please. The hon. member should direct the question to the Chair.

Mr. McIntosh: Mr. Speaker, I direct my question to the minister, through you.

Mr. Dube: Mr. Speaker, no decision will be made until the committee has reported. Before that time the committee will have heard all interested associations.

INDUSTRY

TASK FORCE REVIEW OF DEVELOPMENT

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct this question to the President of the Treasury Board. In view of the very slow rates of growth in industrial research and development expenditures over the last few years as reported yesterday by the Dominion Bureau of Statistics will the minister undertake now to tell the house when the task force review of government programs in respect of industrial research and development will be completed?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would hope the review would be completed in the not too distant future. The particular programs to which the hon. gentleman has referred are now being looked at intensely by the Department of Industry, Trade and Commerce.

Mr. Broadbent: Mr. Speaker, would the minister indicate to the house whether or not he will table the report.

Mr. Drury: Mr. Speaker, there will be a report made to the house on behalf of the government.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker—

Mr. Speaker: Are both hon. members rising on a point of order?

Mr. Lundrigan: Mr. Speaker, with your indulgence and with the indulgence of the house, I wonder whether I could put my supplementary question which is very urgent.

Some hon. Members: No.

Mr. Speaker: I bring to the attention of the hon. member that we have already gone a few minutes beyond the allotted time. There does not seem to be agreement that the hon. member should be allowed to pursue the matter further. The question has been stated by the hon. member and if there is urgency perhaps it might be discussed at the time of adjournment.

Mr. Lundrigan: The only reason I mention it is that we do not get these ministers in the house very often.

Mr. Speaker: Order.

FISHERIES

SEALS—REPORT ALLEGING FRAUDULENT FILM PRESENTATION OF KILLING METHODS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order because of the urgency and seriousness of the matter I raised today. The Minister of Fisheries has now seen a copy of the report to which I referred. I have a signed copy in my hand. I wonder whether the house would agree to give unanimous consent to having this report tabled. It might clear up some of the misinformation that has been given abroad about the killing of seals in Canadian waters.

Mr. Speaker: Order. The request would have to be made by the minister. If the minister requested the concurrence of the house there would be no objection.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I do have a photostat copy of the report which was sent to me by the hon. member. Perhaps it is a document which was prepared internally in the Department of Fisheries. I notice the date is February 29, 1968. I should like to be sure of the general nature of the document and the circumstances under which it was prepared and submitted to my predecessor before I authorize its tabling.

Mr. McGrath: Mr. Speaker, now that the minister has referred to the document in the house, under the rules—

Mr. Speaker: Order, please. I cannot agree with the hon. member's interpretation of the rules.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY AND OTHER NEW DEPARTMENTS

The house resumed from Monday, March 10, consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the chair.

The Chairman: When the committee rose yesterday clause 7 of the bill was under consideration.

On clause 7—*Department established.*

Mr. Peters: Mr. Chairman, for two or three days the majority of the questions in the house have concerned the Post Office Department. I have listened very carefully and have been very interested in the development that is taking place there. Frankly I am very shocked by the minister's attitude in this regard. When the changes of automation and technical development in new areas took place we were all well aware there would be considerable difficulty experienced, and that this probably would be most apparent in the private sector of our economy.

Developments over a period of several years have indicated that this was not necessarily so. In the private sector in my opinion the technical change has been handled in a much better manner than it has been handled by the federal government. As we are well aware, the circumstances which surrounded the difficulty between the Canadian National Railways employees and their employer resulted in the Freedman report, which simply stated that where a technical change affecting the industry and a number of employees was to be undertaken, the employees would have an opportunity to discuss with representatives of the company their specific difficulties in respect of the technical change before such change was undertaken, and that they would be given an opportunity to participate with management in arriving at the most equitable solution to a particular problem.

Most members of the government agreed that the Freedman recommendation, as it affected technical change and the need for

co-operation between employer and employee, was a good thing. Ministers, particularly the Minister of Labour of the day, decided this did not need to be written into legislation, because there was no disagreement in respect of the particular proposition.

Going back to the family history of the Postmaster General, I know that particular family has been quite eloquent in developing new philosophies and new ideas. I am thinking of the Grand Canal project, which involves the diversion of the water system of a whole continent. These things have been thought out and developed almost entirely by one person.

• (3:00 p.m.)

I am surprised to see the Postmaster General doing exactly the same thing so far as the Post Office is concerned. He has sat down in his ivory tower with his background as an economist of some repute and has come up with a number of solutions to postal problems which have probably had a great degree of success. Certainly he is an economist in the academic sense, but his solutions would indicate a total detachment from the realities of practical politics and technology.

I suggest that the minister must consider the application of these solutions and changes in relation to the needs of people. It is very easy to develop a machine that will run eight hours a day because it only requires to be oiled once every eight hours. The human refueling cycle usually requires a break for dinner. The Postmaster General said that the employees could have a break at dinnertime but they could not go back to the Post Office and if they wanted to go back they had to do so on their own time.

This matter has been referred to the Public Service Staff Relations Board in order to arrive at a decision. In arriving at a decision consideration should be given to the people involved in the discussion. I have in mind the Postmaster General, his senior staff and the unions involved. The minister has not allowed this. He has arbitrarily decided that these changes shall be made come hell or high water.

It was very interesting to listen to the president of the Montreal postal employees on television. When he was asked whether a walkout would be legal or illegal he said there was no question but that it would be illegal. Such a walkout would be illegal in a technical sense. These employees have followed the only procedure open to them to arrive at a settlement of the dispute or a conclusion to the negotiations. They have followed their only course by referring the matter to the staff relations board. They have done so in respect of the wash-up question which was decided in favour of the employees. The department was instructed to undertake certain changes. What did the department do? It created another problem and neglected to implement the changes. What alternative is there left to the employees but to go on strike?

The minister made a number of increases in the cost of postage. This is a fundamental matter. It is interesting to note that there has been very little outcry about the increases in postal rates except from those who have been getting a bargain from the postal department. Whether the minister is right in his statement that if private non-profit organizations wish to put out a publication for the benefit of their members then the members should pay for it, I am not prepared to say. In order to do so I would have to know the total value of those publications to the national welfare, and I am not in a position to know this. But I am in a position to know that something is rotten in Denmark if we continue to make exceptions in respect of two United States publications at the expense of the Canadian public. I have had occasion to read both those publications and they contain United States propaganda first, last and always. They do have a small section for the Canadian reader but it is pretty limited so far as Canadian development is concerned.

What will defeat the government and the minister is not the increases in postal rates but the deterioration in the service being provided. There is something wrong with a system that now takes up to five days to move a letter from point A to point B when before the changes were made it took only 12 hours. I am not prepared to say this is the result of the stoppage of Saturday delivery, or because sorting should be done at two o'clock in the morning instead of at four o'clock. I know nothing about the Post Office operations, but I am inclined to think that the minister knows less.

I have had occasion to talk with experts in this field. The more they told me about what takes place in the Post Office the more confused I became. They tried in a few minutes to explain to me the sorting system and why an employee must pay for the cards he uses for sorting purposes. I find this a very complicated business which is not exactly the same in one place as it is in another.

It is my belief that the Postmaster General sat down with a number of people to draft ways of putting the postal operation in the black. The blueprint they devised is now being superimposed on every aspect of the Post Office operation. If people were sheep perhaps he would be successful, but they are not sheep. They have been trained in a certain way over a long period of time and now find it difficult to change, particularly when they realize that the change is not advantageous to the Post Office Department or to themselves. They are opposed to a general making decisions for soldiers in the field he has never seen. I suggest that the minister should concern himself with this type of criticism. The Prime Minister and other members of the cabinet should also be concerned with this problem.

When the postal rates were increased I was surprised there was not more complaint. When Ontario brought in a 5 per cent sales tax I thought it would mean the defeat of the provincial government but that was not the case. Money does not mean everything. The price of things has gone up so fast and so often in this country that no one seems to be concerned.

A viewpoint was presented on television last night in the form of a letter to the Postmaster General to the effect that this country could stand a 10 cent charge for first class mail. I certainly think we could raise the rate, but I suggest to the minister that he cannot do this while at the same time allowing the service to deteriorate. There is absolutely no excuse for having less efficient mail services in northern Ontario than were provided 40 years ago. Mail service has deteriorated tremendously in the last five years, and I think every member of the house has received complaints in this regard.

Let me give an example of the kind of complaint we receive. I had a conversation recently in an elevator. I asked the operator how the mail service was in Carp. He said he did not live in Carp but that he had recently experienced some difficulty with mail services. He informed me that he received rent in respect of a house he owned. About the third or fourth day of each month he would complain to the man paying the rent because he had not received the cheque. He said that the individual would then tell him he had sent the cheque on the 26th or 27th of the previous month. This mail would travel from Eastview to Cyrville. On one such occasion the letter was dated on the 27th of the preceding month and was delivered on the 9th of the month for which the rent was due. Had the individual given the letter to the carrier it probably would have been delivered the same afternoon. The most recent example he gave related to a cheque mailed on January 27 and delivered on March 9. The distance involved was no more than five miles. I am sure every member of the house is aware of the fact that the postal service has deteriorated at a time when we are paying more for the service.

We are entitled to know why postal employees are upset and why there should be strikes. The department is providing these employees with more money than ever before. We are not providing them with more money with the expectation that they should go on strike for some other reason. Surely these things can be settled.

• (3:10 p.m.)

The Post Office Department has always stunk to high heaven, and we have always hoped this would be corrected. The department used to be the source of the greatest patronage in the government. Political rather than competent people were appointed. Despite this, the movement of mail from point A to point B was carried out in the most economic and speedy way possible. That is not happening now. In my area the postmaster allows the transportation of air mail, yet only one municipality has air mail service. The air mail service is much slower than that provided by train or truck if it were handled in the proper manner. This used to be the situation. I am not suggesting that the minister should go backward in this respect. However, I think we made a very bad mistake when in many areas we took the sorting cars off the trains. In the case of some railways, the money paid for the sorting cars constituted the difference between making and not making a profit. The service provided in this fairly elementary way meant that a letter sent from point A to point B was delivered in the most economic and speedy manner. We have never been able to duplicate that service.

The people in my area say there is no point in sending by mail cheques for an operation if they have to establish in the area a sum of money that has to be related in a general way to their computer system or if they have to supply two cheques, one of which is issued from a local bank account and finally brought back, attached to another cheque and run through a computer system. They say they cannot send money from Toronto to northern

Ontario fast enough for it to get into the hands of people on Thursday or Friday, although in the past they could do this if it was sent from Toronto on Tuesday. Therefore there is something wrong with the system. I have brought this problem to the attention of the department.

I am surprised also at the lack of initiative the Postmaster General is allowing to the district officers. They are not exercising the discretion they had before. I have never asked them to do anything in a political sense. I have always felt that they were qualified to make decisions in their jurisdictions. I now find they are not making decisions and have not attempted to do so because they do not know what the Postmaster General has decided. Anything they do may be thrown out. Obviously, morale is very low at this level of the department.

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I shall make only some brief remarks on clause 7 concerning the future Department of Communications.

First I would like to say outright that the future Minister of Communications is able to defend himself. He gave strong evidence of it in the past, yet some situations appear so illogical that we should try and correct them. As other hon. members I often hear in this house that the government is spending a lot, that budgets are increasing tremendously and that taxes are going up. However, as soon as a responsible minister dares to introduce reforms to save money and to modernize some services, the very same ones who were blaming the government for being extravagant complain that taxes are increasing.

Yet it should be agreed that two and two are four. One cannot blame the government for spending too much and increasing taxes today and at the same time ask it to spend even more tomorrow. That does not make any sense, Mr. Chairman. As a matter of fact, almost every day those who are complaining about the fact that the government wants to cut expenditures are the first to suggest that it should invest millions of dollars in some cases. In my opinion, that sounds somewhat illogical.

It is obvious that everyone is affected by reforms and savings, Mr. Chairman, and no one thinks that they can be approved willingly. In my opinion such reforms should be possible in the difficult situation in which we now find ourselves, when all governments in the world are faced with austerity measures made necessary by the economic situation. Hon. members should help all Canadians to understand why they have to tighten their belts even if it hurts. In fact, it must be done to avoid a worsening situation due to more serious financial and economic problems and perhaps even devaluation of our dollar.

I think that the validity of this argument should be obvious to those who want to consider the situation objectively. It is so simple in fact that there should not be any need to stress the point.

I think that the future Minister of Communications must have some gumption to impose measures as drastic as these while facing the opposition's big guns.

He certainly does not do it because he invented all those reforms as the new Postmaster General. He is surely doing it, and we know it, because for years the experts in his department have been considering these reforms and trying to develop them. In fact the minister has finally decided, in view precisely of the circumstances I mentioned earlier, to introduce them to the Canadian people. However, this discussion shall probably not be wasted. Some aspects of the matter should perhaps be changed a little. The minister understands this, because he made some changes to the legislation he wanted to implement.

But, Mr. Chairman, this is not what I want most to point out. I heard yesterday or the day before on the radio a speech by an official of one of the Postal Unions—I understand his name is Décarie—who said that the postal workers would go on strike, whether it was legal or not. I hear hon. members approving those people and telling us that, even though it is illegal, it must be done.

Mr. Chairman, I think that it should not be done. If hon. members are willing to approve Canadians who challenge the government by taking illegal action, I feel that we are heading for anarchy.

That reminds me of an opinion I expressed when the house granted the employees of the civil service the right to strike, at which time I was sitting in the limbo of opposition. I voted against the passing of the legislation and warned the president of the Treasury Board at that time that he would be faced with certain problems before the year was over. The minister answered then: No, I have enough confidence in the public employees'

sense of duty to know that they will not abuse the right to strike which we are going to grant them. Today we have the proof that they are abusing it, even when they recognize that they are doing so illegally, and there are hon. members who stand behind them.

Mr. Chairman, I feel that is intolerable. It opens the door to chaos and anarchy, and it is high time we put an end to that.

I would even say that union members are beginning to be fed up with strikes called for any or no reason. The Canadian public in general, the taxpayers who are always asked to foot the bill for the settlement of these problems, are fed up also and they protext strongly. In fact, a certain number of union members have had their fill of being involved in costly strikes which, in many cases, are called for trivial reasons.

Mr. Chairman, I feel that when union leaders loudly proclaim on radio, on television or in public, that a strike, illegal or not, will take place, not only should they be taken to task but they should also be punished, if order is to be maintained in this country.

Mr. Chairman, the time is nearing when the majority of Canadians will fustigate these trade-unions, which were once justified, which have rendered and are still in a position to render services to the working class which constitutes a useful pressure group. Because of some irresponsible leaders and agitators, trade-unions are acting in such a way that the disorder, the chaos and the anarchy which are prevailing in our Canadian society will go against the workers, the wage-earners, who are always the most seriously affected.

I wish to protest against such an attitude. It should be enough, I think, to encourage the Postmaster General (Mr. Kierans) to stand firm against such blackmail as that to which he is being subjected in some circles.

• (3:20 p.m.)

[*English*]

Mr. Howe: Mr. Chairman, I welcome the opportunity presented by this government reorganization bill, particularly that part of the bill having to do with communications, to bring to the attention of the minister some of the things about which other hon. members have been speaking in the house and about which a great many of us have received voluminous correspondence. I do not know whether the cause was the increase in letter postal rates or the increase in the cost of postage for periodicals, but I have never had as much correspondence on any subject during my period in the House of Commons as I have had lately in connection with Post Office matters. The reason may be that the new minister is seeking to sweep everything clean and make many changes as well as cause disruption among many people.

At any rate, I want to add my voice to all the people who have complained about the fact that so many post offices are being closed. This is going to happen or has happened to a great many post offices in my area, and it has caused a great deal of disruption to people who have depended on their local post offices not only for their mail but for sending postal money orders and doing a great deal of their postal business. The elimination of these local post offices will make a difference in their way of life, and in the case of some older people it will create real hardships. Therefore I think there are quite a few cases which the minister should look into.

Let us consider what happens when a small railway station is going to be closed. In such cases the people in the area are notified and if they want to present their case, which they used to do to the board of transport commissioners, they have an opportunity to voice their opposition to the action that is going to be taken. Sometimes I think this might be a good idea in connection with local post offices. I suggest to the Postmaster General that in some of these cases a hearing in the area might be informative to the people and might stop some of the complaints that are made to members of parliament, although it is only through the medium of correspondence of this kind that we can really find out everything that is going on in our ridings.

I have also had a great deal of correspondence, as have other members, in regard to increased postage on periodicals such as farm papers and church publications. As we know, many of these periodicals are non-profit publications and are issued by organizations which make a study in a specialized field. Whether the periodical deals with agriculture or business, this specialized information is of great value to the people who receive these papers. For instance, in the field of agriculture so much change is taking place these days that it is only through reading such periodicals and farm papers that our farmers can keep up to date. So I think that another look at the increases in postal rates might be worthwhile, and I am sure it would be of great value to the publishers of these periodicals. Many of them may have to fold up their

businesses because they will not have the financial means to continue in operation.

I am not sure that the money supposed to be saved by the Post Office Department through increases in the rates will be of the great value that the Postmaster General and some members of the government think it will because I feel that the pressure on our economy has increased as a result. Much of the legislation that has been brought into the house by the government has had a similar effect. It is rather interesting to note also that in spite of the increase in postage I have never had so many complaints about the type of service being given by the Post Office Department. In fact, I have heard complaints that it takes three or four days for a letter to travel a distance of 10 or 12 miles. Such a situation is intolerable. One of the greatest problems is that the weekly newspapers are having great difficulty in getting their papers to their patrons who do not live in the area.

The main reason that I rose to speak this afternoon has to do with a situation that has developed in my own riding. It concerns a community where the government has decided a new post office should be built and the people in that community are complaining bitterly that they do not want it. I am referring to the village of Elora. Perhaps not everybody understands that the people in some villages are very happy living with their traditions and with certain buildings in their community. To bear this out I would like to read an editorial that was sent to me by one of my constituents. It has to do with the closing of the post office in Elora and appeared in the Elora *Express* shortly after Christmas. It is headed "Quite Unnecessary", and reads:

> Rumours persist that Elora is to have a new post office. There are a number of things that Elora needs but a new post office is the least of its needs. We have a post office which is suitable to one of the oldest villages in the district and is a good solid structure. All we can get is one of the modern shoe boxes which are dotting the land, and, by the time we get a new bank—if we ever do—one more landmark will be gone. A few more and Elora will be as sterile of atmosphere as Guelph.
>
> We feel that there should be some protest before we find that the present office is demolished. It undoubtedly needs more space but there is plenty of land available for an addition without ruining the character of the main street. Moreover, if the present minister responsible for post offices is so all-fired anxious to effect economies he might take this into consideration. It will take a lot of penny postage to knock a building down and build a new one.

[Mr. Howe.]

The next paragraph indicates that a protest to their member of parliament might be considered and that some thought should be given to the matter. I have certainly had protests from a number of individuals who have written me in connection with the action that is being taken in this case. The editorial continues:

> As near as we can find out nobody wants a new post office. One is not necessary and it is downright wasteful to eliminate good buildings when so much thought is being given to their preservation.

This editorial is one of the reasons I am speaking in the debate this afternoon. I made a protest to the Minister of Public Works. May I say by way of interpolation that I sometimes wonder whether the regional desks are not already working in some parts of Canada because, in the case of Elora, the member of parliament representing that area was not consulted or even told that a new post office was going to be built in that village. It was not until somebody stumbled upon it when they saw people looking for a new site for the post office that the people in the community were made aware of the plans, and immediately they were up in arms. I do not blame them. This community has a population of between 1,200 and 1,500 of whom over 400 people signed a petition saying they do not want a new post office.

Another editorial appeared in the Elora *Express* following a meeting, which should have been held in the first place of officials of the Department of Public Works and the planning board of this community. It reads in part:

> Members of the planning board present were J. Andrews, P. Buchanan, R. Marston and H. Waind.
>
> Mr. Blackwell opened the discussion by stating that the department's only function was to find the most economical method of providing the facilities that the post office requires. From their investigations it would be more costly to renovate the old building with an addition, than to build a new post office.

• (3:30 p.m.)

As to that, Mr. Chairman, I do not know. Many of us live in old houses, but I imagine we could put them up against the houses being built today any time. After 80 or 90 years our houses will still be standing when many of the new buildings put up today will no longer exist.

Mr. John Andrews, an architect in that area, asked whether it was not important to

consider Elora's special needs as a village whose main industry is tourism. He said:

> Elora's history is manifested by its buildings, and the present post office is the most significant in the city square, as well as being a symbol of the village.

He suggested a parallel to Toronto's old City Hall. I should point out that this little community has always been greatly appreciated by visitors and vacationists. People from all over the province go to see the well-known Elora rocks on the Grand River. Since a conservation program was undertaken by the Grand River Conservation Commission a beautiful park and terrace have been laid out along the river and in the summer thousands of tourists and campers take advantage of the facilities provided. In discussing this matter I think all these things should be taken into consideration.

Perhaps I should summarize the reply by Mr. Webb, a member of the staff of the Department of Public Works who appeared at that meeting. He said that from the political point of view it might be best to renovate but his department, representing the federal government, was only interested in the dollars and cents aspect. I ask the committee to note the emphasis placed on dollars and cents. Mr. Webb explained that union contracts with the Post Office demanded direct lighting, air conditioning, lunch rooms and, in a village the size of Elora, 14,000 square feet of working space. He told the meeting that in his opinion it would economically be impossible to renovate the present building though on some further questioning—and this is the point—he agreed a detailed study had not been undertaken. In other words, the decision was made to build a new post office although the department had not even gone into the question how much it would cost to renovate the old one.

In these circumstances I believe I have a perfect grievance to bring before the minister. Before any action is taken a thorough examination of the situation ought to be made so that, if at all possible, the old building can be retained, with the facilities which the Post Office says it requires being provided in a renovated structure. This, in my view, would be far better than destroying the old building completely. As the writer of the editorial on this subject observed, we all know how beautiful the new post office would be. Most of these new buildings are like shoeboxes. They may be functional but they certainly do not commend themselves architecturally to those who travel round our country.

I maintain that the post office now in use in Elora should be preserved. Buildings of this type add to the attractiveness of the community. Before any definite action is taken by the department I feel that the people of Elora should be consulted. Better public relations would certainly exist if this course of action were followed.

[*Translation*]

Mr. Latulippe: Mr. Chairman, it is a pleasure for me to say a few words on the bill before us and on the present situation which is not very hopeful and which needs to be corrected.

I heard earlier the hon. member for Trois-Rivières (Mr. Mongrain) say that someone had to take his responsibilities. In my opinion, it is up to the government and the Postmaster General (Mr. Kierans) to assume them.

As the hon. member for Trois-Rivières pointed out earlier, some trade-unionists are ambitious and unscrupulous when it comes to abiding by the rules and the law.

Then, if honesty is a thing of the past, if it is no longer possible to control anything, let the State take its responsibilities. Earlier, I asked a question to the Postmaster General who told me that it was not his responsibility but that of the Minister of Labour (Mr. Mackasey). I think the Minister of Labour and the Postmaster General should co-operate; and it is high time they did.

Mr. Chairman, it is the government's responsibility to establish compulsory arbitration within the public sector, because with our inaction and our casualness we are paralysing the whole economy and admitting that those who are wrong are in the right.

As to us, of the Ralliement Créditiste, we are prepared to assume our responsibilities. If compulsory arbitration is necessary, it should be imposed. The government should take its responsibilities, because it is more than ever time that it did, and we shall see if it is capable of doing it. If nothing else can be done, the government must act. I think that the majority of the Canadian people would be satisfied if such a step were taken. I think there is a limit to everything. When ambitious people go too far, it is imperative to promulgate regulations, in order to curb their ambitions. However we must also set stopping points as well as landmarks.

Therefore, Mr. Chairman, the Postmaster General and the officials of his department have the responsibility to make decisions. The Postmaster General has taken a few decisions

already, and he should not be afraid of taking this one. In fact, as far as the increase in postal rates is concerned, he was not afraid to assume his responsibilities, even though he knew it would increase the cost of living, decrease the buying power of the citizens and deteriorate the economic situation for everyone in Canada.

At that time, he believed it was a good step to take and he was not afraid to take it. Therefore he should not be afraid to impose compulsory arbitration now, as the great moral law which would start the economic system running and would maintain it in a state of balance. Then, the government must at all costs take its responsibilities.

I have not looked fully into the situation, but it seems to me it is time to establish rules which will ensure a certain degree of balance in the economy. As long as there are soulless, ambitious men, prepared to do wilful damage and to break everything, we will have to enact laws to bring them back to reason. Instead of destroying, we should build. Therefore, let us stop those who destroy Mr. Chairman.

I should like to speak briefly about my riding. I never had the opportunity to tell the minister what is going on in my riding and what is needed there.

Some things have been done in the past, but the minister did not hesitate to make cutbacks. In my hometown, for instance, we had been promised home delivery service three years go, and the municipality was made to spend money under the pretext that the government would start the service. But this Postmaster General applied the axe to the project, and told us that it was no longer time to think about letter carrier service. He told us the plan had been postponed. Now, municipal authorities are asking for a home delivery service, since they have spent several thousand dollars to install street signs and to number houses and buildings.

In addition, three years ago, the government said that the Department of Public Works would build five post offices in the Compton riding. Two have been built and the construction of the other three was postponed by the Postmaster General under the pretext of saving. Since the situation has changed and winter works have been cancelled, he finds it impossible to build those small post offices.

• (3:40 p.m.)

The government bought some lots on which it intended to build post offices; however, it decided later on not to proceed with the construction. Needless to say that the citizens living in the parishes where the post offices were to be built are quite disappointed.

Since the government had promised to have the buildings erected three years ago and the project, involving three small post offices only, has been postponed for three years, I feel that the government should at least make an effort to fulfil some of the minor promises it made in my area. I receive lots of correspondence from these municipal authorities; they keep asking me why construction is being delayed, why I do not urge the government to introduce legislation that would benefit my constituency. Since I am criticized for allegedly doing nothing to correct the situation, I wish to call the minister's attention to it. If the minister can correct it—I do not ask him the impossible—we would appreciate it, for in our constituency we pay taxes as in all the others, and the federal government has never done much for us. In fact, we have asked for all kinds of assistance, in order to improve the tourist trade; but nothing was done and all those projects fell through.

I would therefore ask the minister to consider the situation and, if possible, to build those two small post offices which would render a great service to the population.

Mr. Chairman, I would have lots of things to say in connection with that bill, but I do not wish to extend the debate. Once again, before concluding, I would ask the government and the opposition to assume their responsibilities, and to put some order in our mail service, since it is the most important of all. Once there was no better organized department than the Post Office Department but now it is far from operating satisfactorily.

In my opinion, that unbalance should not exist and the only way to settle the situation would be to resort to compulsory arbitration. We are here to represent the people of Canada and to take our responsibilities. As the hon. member for Trois-Rivières said earlier, if there is someone who should take responsibiilties and do something to cope with this situation, it is the government.

A while ago, the hon. member for Trois-Rivières stated that the economic situation is critical not only in Canada but throughout the world, that all the countries are faced with the same insuperable economic conditions, that we are facing a terrible economic crisis and that we must absolutely tighten our belt.

I would say however to the hon. member for Trois-Rivières that while it is well and good to tighten our belt, but we must not allow others not to wear any. Many have none at all. They benefit nevertheless from the whole economy, from the increase in interest rates and capital of all kinds, with the more or less tacit consent of the present government.

So these people or institutions must assume their responsibilities. If they fail to do so, the government will have to do its duty and intervene.

[*English*]

Mr. Rose: Mr. Chairman, in rising to speak in this debate today I should like to bring to the attention of the minister a few matters that affect the people of my constituency of Fraser Valley West. I should also like to examine briefly the philosophy behind some of the recent moves that have been made in the Post Office Department. Like the hon. member for Timiskaming who spoke earlier, I am not an expert in Post Office procedure and do not pretend to be. However, I am the perfect recipient, the punching bag, if you like, for some of the complaints that have been made by people in my riding, and as the member for the constituency it is my duty to bring them to the attention of the minister.

I believe that the Postmaster General is attempting to run the Post Office Department like a stock exchange. I think he would agree with me that people are not stock, not even livestock. They are people and they resent any kind of fiat or orders from on high on matters that affect them especially when they are not given a proper opportunity to make their representations or adequate time in which to do so. This sort of thing is resented by the people generally, no matter what department or government agency is concerned, and by me also.

I am sorry to say this because the minister made a profound impression upon me during the height of the recent Liberal leadership campaign. I felt that he would have been the best man for the future of Canada to lead the government party. I do not feel this way any longer, however, because he has departed from the role of an articulate visionary of Canada's future to one of petulant arrogance. All of his defence mechanisms are working overtime, as one who is insecure in the decisions he has reached. He adopts a kind of rigidity or inflexibility that indicates to me a contempt for the people with whom he deals.

In my constituency two historic post offices have been marked for the axe. The one at Port Hammond has been given a partial reprieve but only at the expense of denying the people there a postal walk service in the area. The people have been told, in essence, that they can have a postal walk service or a post office but they cannot have both, and as the matter stands now they can take it or leave it. I ask the minister, why not a postal walk service originating in Haney that is also co-ordinated with the post office in Hammond? The post office in Hammond is particularly useful to the business community there. Surely anybody who is able to grapple with the problems of communications and the various technical problems connected with satellites ought to be able to solve a simple problem like this. Therefore I bring it to the minister's attention and I hope he can see his way clear to do something about it.

The other post office that is slated for extinction is in Langley in the community of Walnut Grove. I have received a huge petition from the people in that area which indicates, to me at least, that the residents there need the post office. This post office is right on the edge or fringe of suburbia, and the whole area will certainly be one of rapid growth during the next few years.

But what I protest most vehemently is the manner in which I have learned about these problems. I learned about these premeditated moves affecting postal services in my constituency not from the minister's office but from people who live there. They have written to me about them, but I do not think that is good enough. As the member who represents these people in this house, surely I should not be the last to know. Surely the minister's sense of public relations and common courtesy ought to indicate that the member representing the constituency should be the first to be advised if such moves are contemplated.

• (3:50 p.m.)

I am certain other hon. members have received this kind of information. I have not. Such information may go to the various regional desks, and I suppose my people could learn there what is going on. But I was kept completely in the dark, and I think that is a poor way to operate. I am certain that members supporting the government have always been given the chance to break to their constituents news of pork barrel measures, which sometimes include post offices. Similar courtesy ought to be extended to

other hon. members, who should be given information even when the news to be conveyed is bad. When a member does not receive the kind of information I have been speaking of he should raise hell. That is exactly what I am trying to do.

There is an alarming trend in this parliament toward emasculating the backbencher. May I remind the minister that I was elected exactly as he was elected. Rules or no rules, I will bring forward whatever concerns my constituency. I was sent here to do that. I hope to represent my constituents as well as anyone can, or even better.

I do not intend to dwell on the labour troubles within the Post Office. Major and wildcat strikes have occurred since the minister put his hand on the helm, demonstrating that everything is not well in the Post Office. Since other speakers have discussed Post Office troubles at great length I will not be repetitious. I simply say to tne minister that on the third strike he will probably be out because he has hit many foul balls already this session.

The hon. member for Trois-Rivières referred to certain union officials and their responsibility to the public. I suggest to the hon. member that certainly there are irresponsible union officials, but there are also irresponsible members of parliament and cabinet ministers.

Mr. Orlikow: Union officials do not change sides.

Mr. Rose: No, they do not. I remind hon. members that neither cabinet ministers nor union members like to be pushed around. If union officials feel they must act in a certain way to receive the kind of justice they consider they deserve, they at least take those steps they feel are necessary whether or not there is legislative support for them. We have seen that sort of thing happen throughout history. Such activities are carried on not only by unions but by all groups with aggrieved members.

In justifying his new satellite program the minister said to members of the Standing Committee on Transport and Communications on December 9, 1968, as reported at page 163 of Minutes of Proceedings and Evidence No. 9:

> Mr. Kierans: Our purpose in going into this satellite is social objectives; they may be political too, but let us say, social objectives as the way of unifying the country, that that one satellite as far as we are concerned just blankets the whole of Canada—
>
> [Mr. Rose.]
>
> That satellite would be devoted to Canadian aims and objectives and will be programmed, I would imagine, in a way that is acceptable by the Canadian people and their cultural requirements or needs.

I do not object to that kind of outlook. I think the minister will agree that Canada has a long history of undertaking costly programs for social objectives. Some examples are protective tariffs for central Canadian manufacturers, the Canadian National Railways, equalization grants, the seaway, the maritime freight rates legislation and, finally, the C.B.C. Expenditures in these areas were undertaken for social objectives. Why, then, must the minister feel that Post Office operations must function on a ruthless balance sheet? Surely there are good social reasons for considering the Post Office as primarily a service to meet the social and cultural aspirations of the Canadian people and not just as a business. Do non-profit cultural, religious, union and scholarly papers and journals not rate higher in bringing about Canadian unity and identity than *Time* and *Life* magazines? To that argument advanced by other hon. members the minister replied in the typically flippant way we have come to expect, and I paraphrase his remarks: "Certain publications want to continue and have the public of Canada pay the shot." What is so unusual about this? How can we have discourse on a political, cultural, religious or social level in this country if non-profit publications in these fields cannot be supported for the public's good or for social reasons? Why does the government pick on the Post Office particularly when attempting to balance its books?

I must protest against the way in which the Post Office has treated box holders, especially those living in rural areas. This year they face double the charges they paid last year. When postal rates went up we knew that rates for Post Office boxes would also rise. But increasing those rates by 100 per cent is far beyond the increase contemplated by many. After all, those who buy stamps have not had to pay double for their stamps. Box holders also buy stamsps, but they do not have the privilege of rural route services, nor do they have a householder service. These large rate increases discriminate against those who do not have any alternative postal service available to them.

Finally, I submit that the minister is moving too rapidly and is not consulting sufficiently those who will be affected by government policies in this field. He does not seem

to know what will be the long-term ramifications of his proposals. The public good cannot be measured in terms of balance sheets. In short, the greatest failure of the minister responsible for communications lies in the fact that he has failed to communicate.

• (4:00 p.m.)

[*Translation*]

Mr. Ricard: Mr. Chairman, I do not want to miss this opportunity to voice the remarks I have heard in my constituency about the postal service offered in various municipalities. My sole purpose is to help the minister and to advise him of the present conditions arising from his instructions since he took over this department. I would like to be as objective as possible, and I would like him to pay attention to my brief remarks.

Many merchants, industrialists, stock brokers and insurance brokers have complained to me about the slowness of the mail service recently. I agree with them that they now pay more for less service. I do not want to blame the staff of the local post office in Saint-Hyacinthe, nor the rural carriers in my riding, but I want to point out that they have to do in five days the work they did before in six. This does not apply to rural carriers.

In his first speech in the house, the Prime Minister said at least four times that he was most eager to establish a just society across the country. It is amazing to see that the establishment of a just society requires the minister to have recourse to injustice. Surely, it is not just to ask employees to do in five days what previously took them six days, nor is it just to charge Canadian publishers more than foreign publishers for the postal service.

In my opinion, the minister means well but he has not considered long enough the consequences of his actions; however, perhaps it is not too late to remedy a situation which is truly unfair to every Canadian, since we are now discussing the reorganization of the various departments.

I should also like to draw the minister's attention to one point that could be improved in the householders' list. At the present time, users at the various post offices or on the various rural routes are identified by one initial only. It often happens that on the same rural route, two, three or even four Christian names have the same initial. The same thing also occurs on other rural routes of the same locality, and the people who deliver the mail are puzzled. They make mistakes, and although they do their best, they give poor service to the users of the postal service. As this work is done by independent companies, I think the minister should insist, when those lists are drawn up, that the first names appear in full thereon. It would then be much easier, when the addressee's name is, for instance, Mr. Armand So and So, to speed up delivery by writing down the addressee's Christian names rather than his initials only. A letter intended for Mr. Armand So and So could as well end up at Mr. Alfred So and So's place. I believe the minister will want to correct such an anomaly.

Now, as far as my constituency is concerned, I have noted that in several areas neither the number of users nor their names appear in the householders' list. To obtain such information, one must, first of all, pay $2 for this publication; then one must pay an additional sum if one wishes to obtain a list that is not included and one must get in touch with the companies that have compiled those lists.

I believe the minister would help his employees, as well as those who need such information, if he made the required corrections.

Those are the comments I wanted to make, Mr. Chairman.

[*English*]

Mr. Bigg: There are several matters, Mr. Chairman, I would like to discuss in this debate. I hope that by having a new minister something will be done about an old complaint of mine concerning the Post Office. I was laughed at when I mentioned it before in the house, but apparently it is only members of parliament belonging to the party in power who are consulted regarding local problems. This is a cynical attitude. If the minister requires information concerning the district of Pembina in northern Alberta, he does not have to go to defeated candidates, would-be candidates or would-be senators. I will give him up to date and detailed information on anything connected with my district. I have lived there for 15 years and am acquainted with these people. I have their interests at heart more than my own best interests. I hope that the 11 years I have been in this house have proved that. I hope a new minister is appointed to this department. Some of the troubles are no doubt passing troubles. With a new minister we should be able to look forward to the formation of new policies by the department.

Members of parliament were not consulted about the redistribution of ridings. One need

only look at a map of Canada and the redistribution of seats to see what a cynical waste of local talent it was not to consult the members of the House of Commons. The people of Canada have respect for us or we would not be here. Many of our constituents feel we are overpaid. I do not happen to think so. I think a good member of parliament is underpaid. A member of parliament who is not conscientious should not be paid at all. If we are going to be respected in our ridings, we must adopt this attitude and give the people service. If all members of parliament and members of the provincial legislatures in this country would do their work there would be very little need for an ombudsman. In my opinion there would be no need whatever for regional desks, more bureaucracy and more expense for the already overburdened taxpayer. There is no need for us to do our homework and keep in touch with our constituents if the government of the day cynically disregards the well-intentioned and detailed information which we are willing and able to give them.

I intend to write the Postmaster General in connection with the proposal to build a new post office in a village where the population is shrinking by the day. There are quite adequate postal facilities in that village. I personally canvassed at least half of the people of the village and most of those with whom I spoke were of the opinion that no local improvement whatsoever was required. A first class, up to date post office will probably be built even though it is not required.

Many post offices are being closed down. The over-all reason is economy. I plead with the Postmaster General that before any more post offices are closed a careful survey be made to ensure that veterans do not lose their means of earning a living. I know they do not make a very good living from these post offices but in a great many cases they also own little stores. Without the post office attached to it the store alone might be a very small drawing card. The revenue from the post office may be quite small and may represent only 20 per cent of the total revenue. Nevertheless the post office is a drawing card and sometimes the additional revenue keeps the person from going broke and having to move to a city only to become yet another statistic on the relief rolls of our ever-burgeoning cities.

• (4:10 p.m.)

These are examples of the just society about which the people on the hustings think. This is not an election year and I do not suppose next year will be either. But these people do not forget; they are looking for the just society not only from members of the Liberal party but from all politicians at all levels. I say, for goodness sake let us not be cynical about this. The Liberal party is a great party, but if its members reach the point where they think they are the only people who have an interest in the future of Canada the nation will suffer and we will all go down the drain together. There are a great many people who, although they do not happen to be associated with the Liberal party, have the welfare of Canada at heart. It would be a great mistake for anyone to think that any party in Canada has a monopoly on these sentiments.

I should not have to say this but I believe it is necessary because of the way I am treated. I have not had even one letter in six years in which my opinion regarding the Post Office has been requested. I represent a big district with 58,000 people. During the 15 years I have been there I have visited almost every home in the area. Because of this I have detailed information which is at the disposal of every minister of the Crown. If they do not use it, it is they who are delinquent, not I nor the people whom I represent. If that has been the standard in the past and is the standard now, then new trails should be blazed; we cannot start too soon.

Far too much cynicism is contained in press reports and in other media. It is pouring in over the borders from other countries. Democracy has strong enemies at home and abroad. Unless we stick together and close our ranks I think they will get us one at a time. In the world today those people with really democratic ideas are hopelessly outnumbered. We will have to work very hard during the next 25 years if there is to be any democracy at all in the 21st century.

If the regional desks which are being set up are to work and not be negative they should contain research facilities which would be available to hon. members as well. I do not pretend to know all the answers in respect of my district. If there is to be a federal government agency in Alberta to keep the Prime Minister's office properly informed in respect of information which I do not have and which I perhaps cannot obtain, such as specialized information in respect of soils or social conditions, there might be occasions when I would be very happy to use these facilities. I do not think these regional desks should deteriorate into a means by which the government could

oversee through the back door those people whom the electors of Canada have already chosen to be their representatives here, as poorly educated or poorly informed as we may be. There should be team work. I know that the present Postmaster General, who is an academician as well as a parliamentarian, can see the practicality involved in putting these things together. There is a need to close ranks and fight this thing together.

The present situation in which the Postmaster General finds himself with regard to strikes is probably due, I believe, to the fact that he has not held his portfolio very long. When the rates of pay are increased in one section of the Post Office this does not necessarily mean that everything is fixed up somewhere else. One can be lulled into a false feeling of security. I believe the minister has probably learned by now that one should never use force to counteract force, and a strike is a form of force, unless one is prepared to carry it through. I found that out from my police work. I never attempted to arrest a man unless I had a warrant in my pocket and the right under the law to do it.

These people are experienced in their line. They have done their homework in respect of labour law. They know how far public opinion is prepared to go; they know how far they have gone before and they know how loath governments are to risk their future. We are all expendable. The minister is as expendable as I am as a private member. It may be a sad experience to find out just how lonesome one can be in a situation like this. One should not bluff. There are a great many of us who understand the responsibility the minister has. When one puts forth his best efforts to provide services there is every excuse for a little haste, but the people are unforgiving; they do not understand. All they know is that the mail is late and sometimes they even become angry when they think it might be late. They do not know the time that has been spent by the minister and others in an effort to thresh out these things.

We too are worried because the unrest appears to be just another outbreak of the unrest that is everywhere. I believe the press and other news media should be tolerant. The seriousness of a situation like this should never be exaggerated. We should all be ready to give positive help if we can and try to consider what we would do if we were in the same situation. I am very aware that the position of the minister is a most unenviable one. By and large the postal system in Canada is one of which we can be proud. I only hope that there will be a satisfactory solution to this matter. I hope that when the minister is thinking of the problems that lie ahead he will make use of the good will there is in this house. If it is necessary to cut new ground, then let us cut new ground even at a time when things do not look too good in the minister's department. This may be one of those times when the darkest hour comes before the dawn.

Mr. Rynard: Mr. Chairman, I should like to make a few remarks particularly in respect of the Crown corporation which is being mooted for the Post Office Department. Before we get into a kettle of fish such as the Crown corporation that the Postmaster General is thinking of setting up, I believe it would be worth while to know first of all what the cost of this creation will be. When we look into the cost to the Canadian people we find that already it has cost over $250,000 for a preliminary report. I see the minister is not in his seat so I cannot direct my question to him. Perhaps the reason he is having trouble with Post Office employees can be related to the matter of communication. I think the people are entitled to know what control they will have over this corporation. If it turns out to be a monster, what will happen?

• (4:20 p.m.)

I have heard over and over again ministers suggest in this house under questioning that crown corporations are independent bodies, that we have nothing to do with them and that we must not interfere in their operation. This is the answer we expect to get even though the cost may go up and up. We will have the same control we now have over the C.B.C., whose expenditures have skyrocketed year by year. The representatives of the people will have no control. As someone suggested the other day, perhaps this move is a foxy way of getting rid of the word "royal". I suppose this word will disappear from use in respect of Post Office services. This is just another calculated reorganizational move similar to that which took place in regard to the Queen's Printer, who has now become temporarily in absentia. Instead of making what some people might interpret as sinister moves the Postmaster General should be looking after the periodicals and farm papers which will be going broke and out of business on account of high postal rates. At the same time, United States publications are being subsidized to the tune of $1.5 million.

Let me put on record something that has happened to professional magazines. I refer to one in my own profession, but I understand the same situation applies to other professions across the country. I should like to read from an article by Dr. A. D. Kelly, publisher of the *Canadian Medical Association Journal*, which appeared in the March 8, 1969, issue. In part he says:

We had recently achieved the all-time high of 23,000 per week for the C.M.A.J.

He was referring there to the circulation of the journal. He goes on to state:

For 58 years the C.M.A.J. has enjoyed statutory second class mailing privileges and our postal rates were low. We are not alone in this because I understand that 5,200 other Canadian publications are similarly classified. I have been aware that the Post Office was losing money and I expected that an increase in rates for all classifications would be initiated. I really can't say that I feel it essential that our postal services make money or indeed break even, particularly when I am aware of the very substantial subsidies provided for radio and T.V., industry, agriculture, education and social services.

All right, this is 1969, inflation has caught up with us and the penny post does not operate any more. The lessons of history may have no relevance, but I can't escape the impression that getting the message from A to B is a public service which in a civilized society is worth supporting with public funds.

I knew that postal rates, particularly second class rates, were going up, but I did not appreciate the full extent of the capacity until I read Bill 116.

The article then goes on to state:

Next in this tale was a reply to the president under date of November 8, 1968 in which the Honourable Mr. Kierans delivered himself of these words:

"During the debates, I have also questioned whether subsidies to welfare and other worthwhile organizations should be intermingled with postal rates. If there is cause or merit in providing financial assistance to your or other organizations, as a matter of national policy, then I believe that such subventions should be identified and provided directly through appropriate agencies rather than hidden through the medium of preferential postage rates—"

Farther on in the same article we find the following statement by Dr. Kelly:

There was not much comfort there, and I recalled reading in *Hansard* the Postmaster General's estimate of the additional costs: "The medical journal may have to increase its costs by something in the order of $1.00 per year per member as a result of the rate increase, and I am sure the doctors can well afford the difference."

One dollar a year from 20,000 members would provide an amount more than double our current postal costs but that had been what I anticipated. However, it was necessary to prepare a budget for 1969 and I thought it wise to endeavour to get a more accurate forecast. I called the director of the division of postal rates and classification and he very courteously and sympathetically told me that effective April 1, 1969, C.M.A.J. and C.J.S. would lose statutory second class mailing privileges; our publications will be classified as third class mail; the rate will be four cents for the first two ounces and three cents for each subsequent two ounces or part thereof. This ruling may not convey much to you but I am still suffering from shock. Our postal bill for mailing the October 19, 1968 issue of C.M.A.J. in Canada and abroad was $346.71. Disregarding the variation in rates to destinations abroad, 23,016 copies each weighing seven ounces cost us 1.5 cents per copy. At the new rate our cost would be 13 cents per copy.

That is a real shocker. If the Postmaster General could be that far out in the statement he made in the house, I am wondering how competent he is to run this department or to set up a Crown corporation to provide postal services. I say this quite honestly and frankly because I think I asked the original question. The article suggests that at the new rates the cost will be 13 cents per copy. It goes on to state:

I dislike the word escalation and my mathematics are weak, but I figure that our postal costs will increase ninefold on April 1, 1969. Instead of the Postmaster General's estimate of "something in the order of $1.00 per year per member" the increase would be in the order of $5.25 per member. One does not need to be a John Maynard Keynes to discern a certain divergence in these estimated amounts. Instead of an annual postal bill of $18,500 the amount will be in excess of $140,000, a rise which the C.M.A.J. could not sustain without reappraisal, adjustment, change and dislocation.

It is all very well to infer that the wealthy doctors would be able to support increased postage costs, not of $1.00 but of over $5.00 per member. Lacking the taxing powers of Ottawa I apprehend certain difficulties in raising our fees to compensate for what I regard as an incredible increase. Its effect on the journals of other professional associations and learned societies may well be suspension of publication.

Let me tell the Postmaster General exactly what is going to happen, and I wonder whether this will not happen throughout the country. Effective July 1, with the end of the current volume of the *Canadian Medical Association Journal* the frequency of publication will be reduced to twice a month or 26 issues per year. All aspects of the publishing operations will remain in Toronto for an unspecified time pending the determination that they may be carried on as effectively in Ottawa.

I want the minister to know what he is doing so far as this publication is concerned. This publication serves all the people in that

it serves doctors. At this time there is a bill before the house in respect of drug prices which will necessitate another publication. This will be in the form of a booklet on drugs issued every month at a tremendous cost to the taxpayer. And mailed to whom? Why, the doctors. One need only look back over the records to see the thousands of dollars it costs to publish such a booklet. The minister is penalizing one publication to the same people on the one hand and subsidizing another on the other hand. The people will have to pay the cost of publishing these drug booklets to be sent out once a month by the Department of National Health and Welfare. This is a great way to run a country.

• (4:30 p.m.)

I want to dwell for a minute on the question of mail that has been slowed up across the country. I have mentioned medical publications because they are a striking example of what has happened in other fields. If these people cut down and down on their publications, in the long run it will defeat the purpose of the minister of obtaining more revenue. We would like to know how this mistake could have been made. Was there any fiscal investigation of what would happen in this area that would justify the minister being mistaken to the extent of the difference between $1 and $5?

Businesses in my area have been adversely affected by the new postal policy. I have received complaint after complaint and letter after letter, even from the city of Toronto, saying that businesses have had to use telephones and telephone attachments, thereby adding more and more to their costs. In the long run this takes revenue from the Post Office and in itself defeats the objective of the department.

Saturday's mail comes in on Monday and office staffs have two days' mail with which to cope. It is not all dealt with on Monday, Tuesday or even Wednesday and is finally distributed on Thursday or Friday. Then the vicious circle starts all over again. This policy of a slow mail service means that because only so much can be done on any given day, businesses suffer. They must add to their staffs in order to cope with this problem, thereby adding to the cost of doing business. I repeat that this is a defeating movement. It results in a backlog in the post offices. The backlog commences with Saturday's mail, which has to be delivered with Monday's mail; then Tuesday's mail is heavy and there is a backlog. The point is, how does the minister intend to cope with this situation? This is the reason mail delivery is being delayed across the country. This is why business is being slowed down. This must be the result if businesses do not employ extra staff. This all adds to the expense of doing business.

No wonder the Postmaster General has a rebellion on his hands. I sympathize with him. I have a great deal of appreciation for the postal workers because on the whole they are a pretty dedicated group of people. I believe that the minister's superiority complex has got him into trouble. A more conciliatory attitude to the public and to the workers in general, and a little fairer treatment of the postal workers, might have avoided this situation. But the minister is smart, and he probably knows it. As far as I know, Canada is the only country in the world where a week's mail is delivered in five days.

I have received letter after letter from men who have to work on Saturday to keep their businesses going, and in many cities across Canada they cannot even buy a postage stamp on Saturday. Many of these people are on the road during the week and come home on Saturday to clear up a great deal of their work; then they start out again on Monday.

I ask the minister to consider the harm he is doing to the publishing companies and small newspapers with large rural circulation because of this policy. I have here a letter, part of which I should like to read to the committee. This is a typical case. The letter was written to the minister on February 6 and reads in part as follows:

> A typical case in point concerns the newspapers for Mr. N. R. Atkinson, 154-175th Avenue, Redington Shores, Florida 33708.
>
> Mr. Atkinson wrote to us on February 3 noting that he had not received any papers since January 23, at which time he received a copy dated January 16. This means that 14 consecutive copies of the newspaper, all of which were definitely wrapped and dispatched from our mailing room and posted from the Orillia post office, have not been delivered. Mr. Atkinson was told at his Florida post office that none of these papers had arrived there. I do not understand why the arrangements that have served Mr. Atkinson and so many others for so long in the past should suddenly founder so completely.
>
> What can be happening to all these papers, and where are they going? I can assure you that Post Office regulations as to the addressing, wrapping and dispatching of newspapers are being strictly adhered to now, as in the past.
>
> I would be most grateful for your comments or suggestions.

I do not know whether the Postmaster General has answered that letter. I tried to check with the writer of the letter but was unable to do so. He belongs to a big publishing company and newspaper and was not available. Perhaps the Postmaster General should make a fresh start. Like many of us who have made mistakes, perhaps he should have a second chance, the opportunity to make a fresh start. Let him start all over again and correct his mistakes, provided he recognizes that he has made mistakes. I hope the minister is humble enough to recognize that he has.

Perhaps then the people who have to pay an additional 20 per cent in postal rates will forgive the minister. Perhaps the farmer who depends so much on agricultural papers for advice, education and tips will forgive him. The minister should be a little more humble in his discussions with the workers and should try to get out of the mess into which he got himself. I say with all sincerity that I hope the Postmaster General will be able to overcome these difficulties. He will have to be tough on himself and not regard himself as No. 1 in all knowledge. He will have to bring forward something far more appropriate than he has been able to do so far.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I shall be brief. I have only a few questions to direct to the minister with regard to the closing down of some post offices.

In my district, some post offices have already been closed. They were small post offices which, according to the minister, were uneconomic. Some were in that category but not all of them. The minister should probably have ordered a more serious inquiry into the matter. He has decided otherwise; the government of which he is a member will bear the responsibility.

I want to ask him if he has ordered that those post offices be closed because there was a decrease in population in a parish or along a country road. I believe that is what happens in most cases. In fact, those post offices used to serve from 80 to 100 families, and in the villages there are now barely 13, 14 or 15 families. In such cases, I ask the minister if, instead of installing outside mail boxes such as can be found in a few localities in my district, he intends to have the mail delivered daily by the employee who covers the country roads, the one who has the contract. I do not see why this same person could not deliver the mail daily to the 12, 13 or 15 families of those small villages.

• (4:40 p.m.)

I have a feeling that the minister is going to order—as was the case in St. Félicien, in the village of Bellevue—that metal boxes be installed outside. This is disastrous in our regions and I have said so in the house before. As a matter of fact, these boxes are put up on the side of the road and every time the snowplow comes along it piles up snowbanks which are 10, 15 or 20 feet high where the people have to look for their mail boxes.

In those villages where it has been decided to close up post offices, it would be much cheaper and much easier to have the small quantity of mail delivered to families living there by means of a few changes in the contract held by the present mail carrier. Since the present mail contractors are now passing through those villages that would not create any problem for them. It might take them a little more time, but with a little extra money they could deliver the mail instead of leaving it in outside mail boxes in all kinds of weather conditions. I would suggest that the minister compel the present mail contractors to have the village residents provided with this service.

In my opinion, this is the best way to provide mail delivery service to those who are deprived of it at the present time, for the good reason that they used to have this service. In fact, I agree with the minister that these post offices were not showing a profit. However, with a little extra money, a small pay increase to those responsible for the rural mail delivery the minister could satisfy most of the residents of those small villages who are criticising the closing of their post offices. For instance, I think that if the local merchants were permitted to sell postage stamps, the daily mail delivery would be improved to the extent of satisfying everybody.

As I was saying to the minister, I am afraid these unpopular metal boxes are going to be installed outside.

That is the only thing I had to suggest to the minister with whom I exchanged correspondence several times with regard to the four post offices in my riding which were due to close on April 1st. I think that if he really wants to provide an adequte service the rural mail should be delivered at the door.

[*English*]

Mr. Kierans: Mr. Chairman, I would like to make a few short remarks in response to some of the questions that have been raised.

[*Translation*]

Mr. Chairman, I can tell the hon. member for Roberval that in this field our policy is quite flexible. In fact, we have decided to keep open about a third of the 800 post offices involved. We are considering each case in great detail before taking a decision.

[*English*]

I might also make reference to the point made by an hon. member that during the debate on postal rates I had said that the rate for the Canadian Medical Association Journal would involve an increase of approximately $1. This is quite right; I did say that. I was under the impression at the time—I corrected that figure later outside the house—that this journal was a monthly, in which case the increase would have been approximately $1. In fact the increase is slightly over $5 for the doctors who are the subscribers.

With reference to the Department of Communications, as I said in reply to another question put to me in the committee, I do not expect that we will be able to table the McIntosh report. I have discussed this with Dr. McIntosh and with some of my colleagues. When the doctor made his studies and consulted a great many people eminent in the field of communications and corporate activities he obtained a great deal of information on a confidential basis. His report was made on the supposition that all these confidences would be respected and that the report would be made to the President of the Treasury Board for his use and for the use of the government.

I do not wish to defend myself in any way but will simply state that the institution of the Post Office has changed very little in the last 100 years. As I have said repeatedly to hon. members, the Post Office is undergoing a process of rapid change. However, on many occasions we have consulted the unions. For example, we discussed the possibility of introducing single mail processing as early as last October 2, and we confirmed this decision in writing to the presidents of both unions on October 3. Since January 1 there have been almost daily discussions with them.

I do not want to go into all the comments that have been made on the difficulties faced by farm magazines and periodicals put out by non-profit organizations. We dealt with that matter quite thoroughly last week in the committee, although I realize there were only a few members of the house present. However, they can read the proceedings of the committee when they are printed.

The hon. member for Selkirk raised the question of the ownership of the communications system. This has not yet been decided. A bill will be coming before the house within the next few weeks to set up that corporation. At that time all members of the house will have a full opportunity to express their views on what type of ownership the corporation should have, whether it should be fully owned by private investors, by public investors or by the government, or whether it should be some mixture in between

Our present intention in the field of the development of satellites is that the research and development of the satellite system should be done as much as possible here in Canada. I say this in response to a question put to me by the hon. member for Selkirk. We have not set aside any options, including buying off the shelf. However, as will be made clear when the bill comes down and following further discussions that we will have, our policy will be to develop the system entirely in Canada.

Again in response to the hon. member's question, I will say that the first satellite that will be going up will be beaming directly to the present common carriers and to the C.B.C. There is no possibility for some seven to ten years of satellites beaming directly to homes. Technically this may be possible well before that time but economically it will not be possible. I can simply suggest the reason why it will not be possible by saying that the strength of the signals emitted by present satellites and by our first satellite will not be strong enough to be picked up by a simple home antenna. As a matter of fact, it would require an earth station or an earth antenna which would cost in the order of $100,000.

• (4:50 p.m.)

A great deal has been said about the current situation in the Post Office. I deplore one word that was used during the debate when an hon. member said he considered the system to be offensive. I do not think it is offensive. Is it offensive that Post Office workers can now operate, for example, in walks near their own homes? This is a new change. Until now, in accordance with a decision made by the Post Office, a letter carrier could not operate either near or on the route where his home was located. I do not think it is offensive to eliminate archaic customs of this kind. Is it offensive that the Post Office should now have a five-day week for which the unions themselves have been asking for years? Is it

offensive that letter carriers should now have a choice where to eat at noon? We are not telling them that they must come back to the post office. They can eat at home if they want to do so, they can eat at a restaurant on their route, or they can come back to the post office if that is what they prefer. Is it offensive that they should be required to punch a time clock only once a day, in the morning, instead of four times a day as some of their leaders have suggested?

The hon. member for Calgary North brought up the question of a Crown corporation. I should like to say that no decision has been taken on this matter. Obviously there would have to be a full-scale debate on such a question if it were to come before the house. I feel that the Post Office could perhaps operate more economically under that kind of structure, but that is for parliament to decide. In the meantime, we are using such a structure as a model and we are comparing ancient ways of doing things in the Post Office with the more modern ways which that structure would suggest.

The hon. member for Vancouver Quadra put forward a suggestion that the title of the department should be Communications and Postal Services. I appreciate the reasons he had in mind, but we consider the Post Office to be part of the over-all Department of Communications. The terms "Postmaster General" and "Post Office" will be retained and will of course continue to be used in telephone books and in international dealings with foreign post offices.

We have no intention of taking over the operation of airports, marine navigation and so on any more than we have of operating the telecommunication services of the Department of National Defence or of the R.C.M.P. We are not an operating department in this sense. We are a functional department.

The department will devote itself largely to research and development in the whole field of telecommunications in order that Canada may remain in the forefront. As an operating department, for example, we shall have only such specialized areas as our own research laboratories. But even our satellites will not be operated by the department; they will be operated, after we have promoted and developed them, by the new communications satellite authority, whatever it may be called.

There is little more I can say. Allusion has been made to the philosophy of the Freedman Report and the need to implement this philosophy. The Minister of Labour has my support when he brings forth recommendations based on those observations and on the report of the Woods task force. But in no case have the changes being made in the Post Office given rise to the kind of problems which faced Mr. Justice Freedman when he examined the situation on the railways in connection with dieselization and run-throughs. In the case of the postal employees, no technological changes are being introduced; there is no automation leading to fewer jobs or making certain jobs redundant. In all the organizational changes we are putting through, the object in mind is to improve service. We are not placing the job of a single person in jeopardy.

We have some 2,084 surplus employees. Their working conditions will be improved because already they have the opportunity to complete their daily task more quickly. Not one of them will risk losing his job. There has been a change in the working patterns of postal employees and some of them have taken exception to this change, but under the Public Service Staff Relations Act a method has been provided by which disagreements of this sort may be resolved. The workers and their unions are free to use this method and I was delighted to be able to say in the house today that we are now well on this road. We in the Post Office will, of course, abide by whatever decisions are taken.

Mr. Orlikow: Mr. Chairman, it is interesting to hear the minister say that he approves the principles of the Freedman commission report. Of course he does. He did so yesterday. He approves of them as long as they do not affect his own department. Obviously the basic principle of that report was that where substantial changes are made in the working conditions of employees the employees have a right to be consulted.

The minister can scoff, but the fact is that until now, rightly or wrongly, letter carriers were permitted to take a lunch break, to return from their postal walk to the post office to eat lunch and to go back. I know that in many cases this meant spending an hour on a public transport system but that time was paid for by the Post Office Department.

The Deputy Chairman: Order. In order that the house may proceed with the consideration of private members' business I do now leave the chair.

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 Bill C-177, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1969.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service—Committee studying increases in pensions of retired civil servants; the hon. member for Winnipeg North Centre—

Mr. Knowles (Winnipeg North Centre): Hear, hear.

The Acting Speaker (Mr. Béchard): —Pensions—Consideration of universal principle of escalation; the hon. member for Compton (Mr. Latulippe)—Economic Regional Development—Request for Sherbrooke area to be considered as a special area.

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

PUBLIC BILLS

AIR POLLUTION

MEASURE TO ASSIST IN ABATEMENT

Mr. Stanley Haidasz (Parkdale) moved that Bill C-22, to control air pollution, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, the affluent society of this half of the 20th century is increasingly becoming an effluent society. Technological changes and advances in our industrial age have been achieved at the cost of the deterioration of our environment resulting in the pollution of air and water, the congestion of our environment and the destruction of wild nature. Increased population and unchecked exploitation of our natural resources have threatened the quality of life on this planet earth. Life on earth exists in a thin layer of soil, water and atmosphere near the surface of the planet. This layer and the life it contains form the biosphere, which is the sphere of life upon earth.

• (5:00 p.m.)

Man and his environment form an ecological system in which tolerance, adaptation and interdependence are factors which are responsible for the success of this system. However, many scientists and people concerned with life on this planet are now worried that a deterioration in the quality of the air that man breathes will have a grave effect on man's ability to adapt in a polluted environment. Most of the contaminants in our non-biological system are air pollutants. Air pollution has been caused to a great degree by man's own activity. Our skills and technology have resulted in new waste products with which man must interrelate successfully in order to survive.

Today man has noticed that he is discharging more into the environment than can be handled by nature or tolerated by his own ecology. Air pollution is today one of the most urgent problems confronting industrialized society. In Canada, air pollution is also a vital and urgent national problem. Pollutants in the air are causing injury to people, animals, vegetation and property.

The progressive complexity of air pollution brought about by increasing urbanization, industrialization and by fuel-driven vehicles calls for intensified national leadership and effective means to ensure clean air, a most precious natural resource.

In the past few years scientists, engineers and medical specialists have repeatedly and clearly brought to our attention the incidence of air pollution and the resultant health hazards. Last year at a public meeting in Toronto organized by a group of citizens called "Group Action To Stop Air Pollution", Dr. Alfred Bernhart, associate professor of civil engineering at the University of Toronto, described how much air pollution there is in the city of Toronto and the extent of damage that it produces. He estimated that in one year Torontonians, by burning 8.8 million tons of coal, oil, heating gas, garbage and also three million tons of gasoline and diesel oil, emit 5.2 trillion cubic feet of polluted exhaust

gases into our air. In addition, 65,300 tons of dust are blown into Toronto every year. He also stated that 47 per cent of the pollution of the air is caused by automobiles, buses, and trucks, 20 per cent by power plants, 20 per cent by heating appliances, 10 per cent by manufacturing plants, and 3 per cent by garbage incinerators. This pollution, he said, causes material and health damage amounting to approximately $120 million annually in Toronto alone.

In Toronto Alderman Anthony O'Donohue, one of our air pollution experts, has stated that every day the average human being inhales approximately 14,000 quarts of air. One cubic foot of air in our cities, he stated, contains approximately three million dust particles. An urban dweller inhales with each breath 40,000 to 70,000 of these dust particles. It has been estimated that a person living in a large industrial centre inhales about one pound and seven ounces of dust per year.

Other scientists have also stated that since 1890 the carbon dioxide level of the atmosphere has risen from 290 parts per million to 315 parts per million, an increase of approximately 8½ per cent. Each year we are told that six million tons of carbon dioxide are added to the 23 billion tons already in the atmosphere. We produce carbon dioxide through the combustion of fossil fuels and many other activities that promote oxidation. Therefore, we should ask ourselves how soon are we going to reach the danger point in the oxygen-carbon dioxide balance of the atmosphere? At what point does the accumulation of atmospheric carbon dioxide bring about potentially disastrous changes in the earth's climate?

Carbon monoxide is another air pollutant which fluctuates at various levels in our urban communities. This gas exerts its biological effect through the inactivation of hemoglobin and by raising the visual threshold. At a concentration of 100 parts per million, carbon monoxide will produce about 15 per cent inactivation of hemoglobin to carboxy-hemoglobin. While this level does not appear to be associated with severe symptoms, an air pollution specialist, Mr. Schulte, has reported that judgment and skills can be impaired at this level.

It has been reported that concentrations below 50 parts per million are the amounts that are inhaled when subjects drive along, for example, the Los Angeles freeways. Toronto, with a few exceptions, is a city like any other in North America troubled with air pollution. It has one of the fastest rates of growth on this continent. It also has an automobile population of approximately 800,000, the third largest density per square mile following Washington and Philadelphia. There are more than twice as many cars in Toronto as in Los Angeles.

There are figures available which state that the metropolitan area of Toronto has the following annual output of air pollutants: 925,000 tons of carbon monoxide, 420,000 tons of hydro-carbons, 198,000 tons of organic pollutants such as aldehydes and others, 130,000 tons of sulphur dioxide, 65,000 tons of oxides of nitrogen, 40,000 tons of solid particles and 23,000 tons of inorganic pollutants such as fluorides, chlorides, sulphur trioxide, and hydrogen sulphides. Comparing metropolitan Toronto to a rural area, we would probably have 20 times more carbon monoxide, ten times more carbon dioxide, ten times more dust particles, and five times more sulphur dioxide. When you drive to work that car in front of you, Mr. Speaker, is pouring out approximately 375 parts per million of carbon monoxide. If you are driving that car in a city like Toronto and you smoke cigarettes at the same time, it has been estimated that between 3 per cent and 7.9 per cent of the hemoglobin in your blood will be ineffective.

• (5:10 p.m.)

As I have stated previously, the first of the five main causes of man-made air pollution by far is the motor vehicle. It has been estimated that motor vehicles contribute from 47 to 51 per cent of the air pollution in our great Canadian cities. Motor vehicle exhausts not only emit large quantities of carbon monoxide but are also the source of benzopyrene, a hydro-carbon that, as has been found in laboratories, is one of the most potent cancer-producing agents. In the United States it has been estimated that on an average day approximately 260,000 tons of carbon monoxide, 27,000 tons of hydro-carbons and 9,000 tons of oxides of nitrogen are spewed into the atmosphere by 85 million exhaust pipes burning more than 77 million gallons of fuel. That is why in the United States of America governments have taken action to make mandatory special exhaust controls on new models of automobiles. At present automobiles in the United States must not discharge or exhaust more than 1½ per cent of carbon monoxide and 275 parts per million of hydro-carbons. In 1970 United States law will require motor vehicles to emit from their exhausts one-third

less of pollutants than present standards permit.

Many other factors contribute to air pollution, Mr. Speaker, but during my study of this problem I have learned that the main pollutants come in two major forms, namely, a reducing form which consists largely of soot and sulphur dioxide and an oxidizing form which consists of carbon monoxide, hydrocarbons, and the photo chemical decomposition products such as oxides of nitrogen, ozone, and many others. Air pollution is also influenced by the topography of the area and by weather conditions such as humidity, brilliant sunshine, air stagnation, and atmospheric inversion.

Many reports have also appeared stating that asthmatic attack rates triple on days of significant air pollution and quadruple in periods of high barometric pressure. Also, some medical researchers have reported asbestos in lungs of city dwellers. Apparently asbestos from such things as automobile brake linings, air filters, and floor tile has lodged in the lungs of between one-third and one-half of all city-dwelling adults in the United States. This effect of asbestos-containing products was reported by a Canadian-born scientist, Dr. W. A. D. Anderson. He also stated that asbestos, mined heavily in Quebec, is known to be a cancer-causing agent if present in a large quantity over long periods. Asbestos workers and miners traditionally have a much higher incidence of lung cancer than the general population.

We have also read a lot recently about the $95,729 compensation that Ontario farmers in the Port Maitland area received for cattle which had to be destroyed because of an air pollutant called fluoride. Compounds of fluoride of varying levels of solubility have affected vegetation in the vicinity of metallurgical plants and artificial fertilizer plants. Some air pollution experts have stated that aircraft, especially commercial jets, are a source of significant air pollution in our cities. Apparently a commercial jet airliner under full load emits pollutants, especially hydrocarbons and carbon monoxide, at a rate equivalent to about 10,000 passenger vehicles. This, therefore, can be a major problem to the people living in the vicinities of airports.

On January 24, 1967, Ontario Hydro Electric Power Commission researchers stated that air pollution, which is already a contributory factor in respiratory ailments, can also contribute to radio and television interference. An engineer from the electrical research department of the Ontario Hydro research laboratories stated that during rainy or foggy weather a phenomenon known as corona discharge sometimes occurs across insulators that house high voltage hydro wires. He says that the more grime and dust settle on the insulators the worse is the interference across a wide band of radio and television frequencies.

Air pollution is also a hazard contributing to greater vehicular accidents. Any reduction in visibility can represent a serious hazard to land, water and air transportation. It has been reported in several studies that during severe urban pollution mortality from airplane, automobile, and train crashes is increased significantly. Unfortunately, such catastrophies constitute a definite effect of air pollution. Dr. Donald O. Anderson of Vancouver stated in one of his papers that one estimation from civil aeronautics board statistics for 1962 attributed between 15 and 20 airplane crashes that year to obstructions of vision by smoke, haze, sand and dust. He has also stated that the effect of air pollution may be augmented by the simple act of cigarette smoking or inhaling carbon monoxide in congested traffic. Also, radio-isotopes from atomic explosions in the Pacific and in Asia can appear in alarming concentrations in caribou of Alaska and our northern territories.

Both as a physician in a dense urban and highly industrialized centre and as member of parliament for Parkdale, an area with many manufacturing plants, I am very concerned about the hazards and ill effects of air pollution. It has been reported that there is an increase in the number of cases of emphysema, bronchitis, and lung cancer occurring in our urban centres. Health authorities have stated that the intensity of urbanization and industrialization producing air pollution may have a residual influence on lung cancer mortality as well as on the morbidity and mortality of people with a chronic lung disease. Some medical specialists are of the opinion that lung cancer deaths among cigarette smokers are more frequent in large industrialized cities than in rural areas.

All of the air pollution facts available today are alarming. They have made known to us the increasing hazards of air pollution to humans, animals, vegetation, and physical property. These facts also illustrate the inadequate research as well as the ineffective measures that have been taken to date to control air pollution in Canada. There is a lack of

ambient air quality standards, effective regulations and adequate enforcement agencies. To date I know of no authority in Canada which deals with interprovincial air pollution problems. That is why there is a wide variation in air pollution legislation and enforcement across this country. To date, Ontario has the most comprehensive air pollution program, as contained in the air pollution control act of 1967. The other provinces are said by experts to have inadequate air pollution control measures and legislation. The United States has a federal clean air act.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order. I am sorry to interrupt the honourable member but his time has expired.

[*English*]

Mr. Baldwin: Carry on.

The Acting Speaker (Mr. Béchard): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Don't talk it out.

Mr. Haidasz: I thank hon. members for permission to continue. Other countries, such as West Germany, Poland and the U.S.S.R. are far advanced in the task of setting ambient air quality standards, control regulations and means of enforcement.

• (5:20 p.m.)

In the spring of 1967 the United States public health service took the initiative of publishing a document entitled "Air Quality Criteria For Sulphur Dioxides", giving the levels at which its scientists believe sulphur compounds begin to harm health and pollute the environment. Unfortunately we in Canada do not have adequate financial support and sufficient scientific personnel to study thoroughly national ambient air quality standards. However, for general guidance in this matter, the World Health Organization has issued an expert report on atmospheric pollutants. This report has been available since 1964. Mr. W. B. Drowley, Chairman of the Canadian Standards Association Committee on Air Pollution and director of the air pollution control program in Ontario, stated in an address at a conference in Montreal in 1966 that the government of Canada should place a co-ordinating policy in the hands of one agency or department to avoid duplication and fragmentation of effort.

[Mr. Haidasz.]

In Bill C-22 I am proposing that parliament grant the Minister of National Health and Welfare (Mr. Munro), as soon as possible, powers to deal effectively with certain aspects of air pollution that are under the jurisdiction of the federal government. The bill states that air pollution means the detectable presence in the outdoor atmosphere of any air contaminant or contaminants in amounts that may cause damage or discomfort to the health of persons, that may cause damage to animal life, produce injury to vegetation, damage physical property, interfere with visibility or the normal conduct of transportation, occupation or business.

In its efforts to control air pollution in Canada, the federal government should also consider the establishment of a special department under a minister. This department could be called the department of urban and environmental affairs or even housing and environmental affairs. Such a decision may be required in the near future if it is found necessary to concentrate in one department all the problems of urban development and urban transportation, as well as the pollution of air, water and soil. Furthermore, I urge the Minister of Finance (Mr. Benson) to grant liberal tax incentives to private citizens and industry who would install anti-air pollution devices and use clean fuels.

It is most urgent to attack vigorously the problem of air pollution in Canada before it is too late. I believe this bill will assist in abating air pollution in our country and help to ensure better health and a higher quality of life for all our citizens. The order paper of the House of Commons today reads that this bill, if given second reading, will be referred to the Standing Committee on Health, Welfare and Social Affairs. I have noted that on the order paper there are also bills standing in the name of other hon. members which have reference to other aspects of air pollution. It may be the wish of hon. members to refer the subject matter of my bill as well as the bills of the other hon. members to the appropriate standing committee of the House of Commons.

Air pollution is not only a vital matter, Mr. Speaker, but also an urgent problem in Canada today. It is often stated that an ounce of prevention is better than a pound of cure. I hope that we in this House of Commons will follow this wise and prudent admonition.

Mr. G. W. Baldwin (Peace River): I will not take any more time, Mr. Speaker, than it will take the clock to reach half past five. We in

this party would be quite prepared to give consent at the appropriate time to a motion to refer this bill and the others alluded to by the hon. member for consideration by the standing committee. If such a motion is moved, we will support it.

I am not in any sense taking credit away from the hon. member for raising this matter, and I do give him due allowance, but I would hope that when matters of equal importance are raised by members of this or the other opposition parties there will be equal willingness on the part of the government to refer them to the appropriate standing committees for consideration. I recognize that this cannot be done with all public bills, but I believe it is a practice to be desired. I hope the President of the Privy Council (Mr. Macdonald) and his colleagues will read my words so that at the appropriate time when bills are introduced from this side of the house this practice will be followed.

I wish to comment on the constitutional difficulty which prevails in connection with the very serious problem of air and water pollution. They are both in the same category. We are approaching the time when they will be the most serious environmental problems we will have to face. While the provinces obviously have jurisdiction to deal with this problem under the heading of property and civil rights, because there is an interprovincial and international aspect and because finances are involved it is not possible for the provinces to do so.

Bearing in mind what happened at the recent constitutional conference, I cannot see the provincial or the federal governments abandoning their particular jurisdiction and handing it over to the other government. This is a situation where there will have to be co-operation. Constitutionally, a corporation could be established to which each of the two government levels could delegate authority. One government cannot delegate authority to another government. The province of Ontario could not delegate authority to the federal government on a matter over which it has complete jurisdiction, and vice-versa, but authority could be delegated to a Crown corporation.

We in this party have pointed out the necessity of establishing a parliamentary committee to deal with problems of this nature. A parliamentary committee is a forum where the wishes of the people, through the liaison of members of parliament, could be brought forward and pressure exerted not only on the federal government but on the provincial governments. Responsibility for the serious problem of air and water pollution could be allocated to one agency which would not only punish infractions of law but would regulate. The problem is that the federal government simply cannot regulate. It can only provide financial incentives and make proposals.

Clause 3 of Bill C-22 reads in part:

> It shall be the duty of the minister to consider the expediency of:
>
> (a) promoting co-operative activities of municipal, provincial, interprovincial, federal, and international governments—

That is not good enough. When we look at federal-provincial conferences and see how little progress is made, it becomes essential that some other forum must be established. The wishes of the people must be expressed forcibly to the members of that forum, in this case a parliamentary committee in order to demand that they be enforced. The hon. member's bill will give the committee an opportunity to study its merits and to look for ways and means to accomplish what he proposes.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to congratulate the hon. member for Parkdale (Mr. Haidasz) for his foresight and imagination in presenting this bill. I extend the same congratulations to other members of the house who have placed notice of similar bills on the order paper. I hope the house will agree to refer the subject matter of all these bills at the end of this hour to the Standing Committee on Health, Welfare and Social Affairs.

• (5:30 p.m.)

I may say to the hon. member for Parkdale that I wish him good luck in his effort. I speak as one who has had the experience of having to introduce bills eight, ten or 12 times before the principle of them has been finally accepted. There is an urgency about this matter which makes me hope the hon. member will not have to wait so long. I am sorry, as a matter of fact, to note the dilatory way in which the government is dealing with this matter. Despite the fact that many references have been made to the need for legislation respecting clean air, clean water and clean cities, we have not had anything yet from the federal government on this subject except the promise that a clean water bill or Canada water bill will be exposed at this session. In other words, this bill will receive first reading but it is not intended that we go any further during this session.

I think the hon. member for Parkdale deserves special commendation for the facts and figures he gave us to underline the urgency of this situation. It is easy to assume that the air is here for us to breathe and is here for all time; but mankind can spoil his future by not doing something to protect the purity of the air. I should like to say that if I have any criticism of the hon. member's bill it is that it seems to say in the words of a sage and historic document "Thou shalt not pollute the air". I agree, and I agree with all the other commandments too; but sometimes it is necessary to go a little further than just laying down the law that such and such shall not be done.

If we are to solve this problem, is it not a fact that we must cope with the causes of it? The hon. member made it quite clear that most of our pollution comes from gasoline and other fuel-driven vehicles. I know it would take a tremendous revolution, a lot of thinking and a tremendous economic upheaval for us to talk about replacing the gasoline-driven motor vehicle with something else, but it may well be that if we are to maintain life on this planet this is precisely what we will have to do. Obviously, I am not against automobiles, but we may well have to develop and manufacture a different kind from those we have today.

I should like to see the hon. member and others in this house who are concerned about the problem of pollution put pressure on the government, the Minister of Transport (Mr. Hellyer), the minister responsible for the National Research Council and others so that if necessary money in large quantities might be made available for the discovery and development of other ways to provide transportation. When I was a child there were electric automobiles around. They went out of style because they were not fast enough. Surely, however, with all the inventive capacity of mankind today we could produce a storage battery of some kind that would provide the necessary speed and power so that we could have transportation without the pollution of air which comes from gasoline-driven vehicles. Perhaps with a little imagination or encouragement our scientists could produce some sort of a central broadcasting station which would send out power which vehicles could get by tuning in; in other words, they could get their power by remote control.

When one thinks of what is going on up in the heavens or out in the heavens, wherever the Appollo IX astronauts are today, in terms of space travel which is controlled hundreds of miles away from Houston and other places on this continent, surely it is not a wild dream or just science fiction to think of a day when the vehicles that we get around in will be driven in some such way as this. There may be still other ways. Someone may have more imagination than I; but surely one of these two courses is open to us, either the development of some kind of storage battery that will provide the power we need or the development of remote control power that would be available to vehicles. There probably are other ways to deal with this. The Minister of Transport said that when he has solved the housing problems of the country, he will be concerned about our urban and transportation problems.

These problems are very real and very urgent. I hope that not only will the committee study them but that the government itself will realize that this is an area which calls for leadership, research and responsibility. Again, I congratulate the hon. member for bringing in this bill and for trying to impress upon the house the urgency of the situation. It is terribly urgent. We do not have a great deal of time in which to deal with it. I hope we will realize it is not good enough just to say "thou shalt not pollute the air" but that we must develop other means of transportation than we rely on today if we are to obey that commandment.

[*Translation*]

Mr. C. A. Gauthier: Mr. Chairman, I shall be brief because I do not want to be accused of talking out the bill. In fact, I am sorry that similar legislative proposals are often talked out.

I congratulate the hon. member who introduced this measure for which we have long been waiting. I feel sure that the Canadian people want this bill to be considered. And, in order to make our work more efficient, I suggest that we unanimously recommend that the bill be referred to the committee on health, welfare and social affairs, so that we may one day be adequately protected against air pollution.

The sponsor of this bill said enough earlier to convince us of the necessity of such a measure and it is useless for me to add anything else. Besides, I am under the impression that another hon. member has something to say and I would not want to prevent him from doing so. I should simply like to say how glad we are that this bill has been introduced, and we strongly hope, as the hon.

member who moved it, that it will be referred as soon as possible to the committee on health, welfare and social affairs.

Mr. Gaston Isabelle (Hull): Mr. Chairman, I should like first to congratulate my hon. friend from Parkdale (Mr. Haidasz) who introduced this bill. The hon. member for Winnipeg North Centre (Mr. Knowles) said he has tried himself on a few occasions to have some of these bills passed, and I wish to tell him that the hon. member for Parkdale did too last year, when I had an opportunity of saying a few words in this connection.

This bill is extremely important, and to me, the funds that should be appropriated to research on air pollution would certainly amount to several billion dollars.

In any event, the problem is extremely serious. As the member for Parkdale has mentioned, it causes lung diseases, particularly lung cancer. In some large cities, specially the more densely populated, autopsies have revealed that after smoking, air pollution was one of the main causes of lung cancer.

• (5:40 p.m.)

Today, on account of the increasing number of motorcars, the air is getting more and more polluted. It is even said that in a city like Montreal, the concentration of polluted air varies between 45 and 545 tons of dust per square mile. Therefore, we should recognize the importance of the bill before us.

Last year, a test was made in Montreal with a view to showing the damage caused by pollution. The test was conducted by Mr. Jean Marier, director of the Air Pollution Division of the Montreal Health Department, who stated the following:

One of their inspectors spent several days cruising around the downtown section of Montreal as a passenger in a car.

The ventilation system of the car was working perfectly and the windows were down. Here are the results of these tests:

The tests have shown a proportion of 12 per cent of carbon monoxide, originating from the exhaust system of various vehicles, in the blood stream of the inspector. This means that 12 per cent of the red corpuscles could not function and absorb the oxygen.

When there is more than 10 per cent carbon monoxide, there are slight poisoning symptoms, nausea, general discomfort.

—torpor.

Between 15 and 20 per cent, there is dizziness and the judgment and faculties become unbalanced. Between 50 and 60 per cent, death strikes rapidly.

I would now like to quote remarks I once made about a similar bill.

The world has already witnessed similar tragedies and no one can deny that a large city, where such conditions prevail, suffers similar consequences.

In the last few years, we have noticed a considerable decrease in the sunlight and a progressive increase in the fog in industrial areas. The reputation of the notorious "smog" (smoke and fog together), which affects London is universally recognized.

Among the cities which have suffered the most from air pollution, one can single out the city of London, England, where it caused a great number of deaths and disabilities—

—during the famous winter of 1952 when England was, for some time, isolated from the rest of the world.

As a result of that epidemic—if one can call it that—

—4,000 persons died and hospitals were filled with the victims of that scourge.

It will also be recalled that as the smog—a combination of smoke and fog—increased, hospitals and other medical centres had to admit only the more severely affected patients.

However, humans were not the only ones to be affected.

—some animals, taking part in a show at that time, died or had to be destroyed, due to acute respiratory trouble. All animals were affected, and those who survived required intensive care.

This is the worst disaster of its kind, although London has registered losses from this scourge before and since 1952. The death registers show that already in 1874 there was a number of deaths due to air pollution. The same happened in other parts of the world.

I would not want to delay this debate any further, but I want to say that closer to us, in the state of Pennsylvania, in 1958, 20 people died of diseases probably due to air pollution. More recently, in New York, the fatal effects of pollution have been recorded.

I said also in 1968:

In London, for instance, the day fog appeared, visibility was good in the morning but at a certain time, when the velocity of the wind came to nearly nothing, pollution started to cover the city. The next day, smog became so dense that some transportation companies had to stop all activities. Traffic practically stopped.

—if you know London—

—and many drivers left their cars in the streets.

In fact, the city of London was practically paralyzed for four days. Mr. Speaker, I would like to say that I strongly support this bill to which special consideration should be given since something will have to be done to curb pollution.

[*English*]

Mr. Mark Smerchanski (Provencher): Mr. Speaker, I should like to congratulate my colleague on his excellent presentation on pollution, and I support his bill. However, I

should like to bring to the attention of hon. members the fact that we must not leave the impression nothing has been done in respect of industrial pollution in this country.

In the last five years every provincial government has taken some very definite forward steps in controlling the pollution of the air, by sulphur dioxide nitrites and hydrogen sulphides. You will notice that many of our refineries located in the larger cities in Canada are today recovering elemental sulphur from the pollutent gases that were originally allowed to escape into the atmosphere. I make this statement because I feel we have to support industrial development, and to leave the house today with the impression that nothing is being done in connection with air and water pollution under the industrial development program undertaken in Canada would not be accurate. It is not accurate to say that nothing is being done in this regard or in respect of proper sewage disposal.

Every province is making great efforts to control pollution. Millions of dollars are being spent in the Dominion of Canada today in this regard. It might be interesting to note that in the United States in 1968 over $450 million was spent on research in respect of control of air pollution, particularly with reference to solutions—

Mr. Speaker: Order, please.

THE ROYAL ASSENT

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

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

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

• (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 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1969.

Mr. Speaker: The house will now resume the business which was interrupted at five o'clock.

[Mr. Smerchanski.]

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the Chair.

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

At 6.07 p.m. the committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

Mr. Orlikow: Mr. Chairman, in the short time during which I spoke before the committee rose at five o'clock I recalled the statement by the Postmaster General that he agreed with his colleague the Minister of Labour in accepting the basic principles expounded by Mr. Justice Freedman. I said the Postmaster General probably agrees with every word of what was said in the Freedman Report as long as it is not applied to the Post Office.

If the Freedman Commission made any recommendation, it was that no employer should make major changes in working conditions affecting employees in the absence of consultation and agreement. I submit that the new proposals put forward by the Post Office, headed by this great minister, amount to such a major change. For a long time postal workers were able to return from their postal walks to the post office for their lunch and then go back to their walks. The time they spent travelling was counted as part of their work day. In many cases I suggested the time thus spent amounted to as much as an hour each day. In deciding that this practice should cease the department is making a major change in working conditions.

When the Post Office Department decides that letter carriers who have had this right to eat their lunch each day in the post office, in a section of the building set aside for that purpose, should have to eat their lunch somewhere outside, in a restaurant or somewhere else—

Mr. Kierans: On a point of order, Mr. Chairman. This is misinformation. I have never said they do not have the right to eat in the post office. They do have the right to eat in the post office. But they now have the option of doing something else. They can eat in a restaurant or anywhere else they choose. But they may still go back to the post office if they wish. Nothing has been taken away from them.

Mr. Orlikow: Of course, they can eat at the post office. The only difficulty is that if they work the eight hours for which they are paid, and still eat at the post office, they will finish an hour later every day. It is true they can go back to the post office on their own time and eat there. That is the way the letter carriers interpret this change, and I am sure they are correct. I would be glad to hear the Postmaster General demonstrate to me that what I have said is not true. Much more important, let him demonstrate to the letter carriers that it is not true.

I agree with the minister that the letter carriers still have the right to go back to the post office to eat their lunch, which would take an hour of their own time. And I realize that they will have the right to eat in a restaurant and pay commercial rates for their lunch, or else eat cold sandwiches. I invite the minister to join the letter carriers in Winnipeg in January or February of any year, in doing so.

The minister told us during the question period today that he expected the walk-outs which have taken place in the last couple of days would taper off, and I hope he is right. I wish to say this to the minister, however: if he persists in the hearings which his department has initiated before the public service staff relations board, if he persists in trying to get that board to give him permission to prosecute those employees who walked off the job in the last couple of days, or if he proceeds to initiate prosecutions, he will find a work stoppage on his hands which will make past work stoppages look like tea parties. I have fairly good connections with the employees and I believe I know what they are thinking.

I hope the minister will pay attention to this suggestion of mine and not proceed with what I consider to be a most retrograde step, a step such as no private industry has taken to my knowledge.

• (8:10 p.m.)

Mr. Francis: Mr. Chairman, I wonder whether the hon. member would permit a question. The hon. member said that if the government did not do something we would have a strike on our hands the like of which we had never seen before. Is he threatening the government? On what authority does he put it in those terms?

Mr. Orlikow: Mr. Chairman, I am not a letter carrier or a member of that union and I have no say in the decisions that they make any more than the hon. member for Ottawa West, who asked the question at the suggestion of the minister. What I am saying is obvious, that if the government goes ahead with its provocation, as my colleague from Winnipeg North Centre called it, and declares its intention of prosecuting, it will bedevil the issue of good relations between the employees and the employer, in this case the government.

I suggest to the minister that he take a look at a recent labour case in his own province, the strike at Domtar by members of the C.N.T.U. The settlement of that strike was held up for several weeks because the company insisted on proceeding with prosecutions that had been initiated during the strike. It was not until the company withdrew from its tough position that the employees agreed to go back to work. This is all I am suggesting here. If the hon. member for Ottawa West takes that as a threat, then he is even more stupid and foolish than I thought he was before today.

I want to turn for a few moments to what I consider to be a very important matter in connection with which the minister made a mistake in policy that he insists on perpetuating. It is a subject that I know the minister resents our talking about and considers we are wasting time; nevertheless, it is a matter that has been universally condemned. I am referring to the very sharp, indeed astronomical increase in postal rates that the minister and his department have imposed on publications, newspapers and weekly and monthly periodicals.

I am not holding any brief today for the commercial press and for magazines, but this country has always had to contend with pressures from our large neighbour to the south. Every day we are inundated with television and radio programs emanating from the United States, as well as newspapers and magazines. I do not have to go into this subject.

Every commission that has studied the question—and I need only refer members to the O'Leary commission of a few years ago—has talked about the importance, if this country is to survive as a viable entity, of maintaining a press and magazine industry of its own. In spite of this, what the minister has done has led to the situation where during the next few years we will see the disappearance of publications in every sphere of life in this country.

I want very briefly to put on the record some of the appeals and complaints that have been made to the minister. I am not speaking of political complaints; certainly, they cannot be called, by any stretch of the imagination, partisan. According to a report that appeared in the Ottawa *Citizen* of January 30, 1969 the Canadian church press, which is an association of church periodicals, submitted a plea to the Postmaster General in September in view of the new rates that are applicable to their publications.

According to the report, the distribution costs of the United Church *Observer,* which is the publication of the United Church of Canada, have gone up by 500 per cent under the new rates. Their mailing costs have gone from $30,000 to $145,000 per year. Two Anglican diocesan papers have been discontinued. I am sure the same is true in connection with publications of Roman Catholic, Baptist and other religious groups.

Professional journals are also having an extremely difficult time. The minister spoke today in a not very complimentary fashion about the Canadian Medical Association's journal. I am not regarded as a defender of the Canadian Medical Association, but their journal does play a very important role in keeping the medical profession informed on professional and technical subjects. The mailing costs of the journal of the Canadian Medical Association have gone up by 900 per cent. Some of the specialty journals, such as the journal of the Canadian Psychiatric Association and the *Canadian Nurse,* whose mailing costs have gone up by 1,500 per cent, are likely to go out of business.

I suppose that no group has been more persistent in its representations to the minister than the group concerned with periodicals emanating from the co-ops and credit unions, journals and magazines that in the main are directed at the agricultural communities of this country. Rural people are passing through a period of revolutionary change, and they need all the technical assistance they can get. They have been accustomed to getting it from agricultural periodicals.

In the past 20 years there has been an alarming decimation of these periodicals. The *Canadian Countryman, Farmers Magazine, Farmers Advocate, Farm and Ranch Review, Saskatchewan Farmer* and *Family Herald* have all gone out of business in recent years. It is true that they ceased publication before the minister increased the rates, but the effect of the minister's action can be seen if one looks at the position of publications that are still in business.

The mailing costs of *Country Guide* have gone up by 260 per cent. The costs of the *Canadian Cattleman* have gone up by 300 per cent. These costs are related to postage and mailing. The *Manitoba Co-operator* costs have gone up by 250 per cent. The *Western Producer* costs have gone up by 250 per cent. These, in the main, are publications that are not sold entirely by way of individual subscriptions but are distributed to members of co-ops, the Manitoba Pool Elevator Company and other such organizations. It is not easy for these organizations to increase their rates, and as a result I suggest to the members of this committee many of these publications will have to go out of business. This will very seriously affect the farmers of this country.

What is the position of the ethnic press? I want to speak briefly about the ethnic press because many such newspapers are printed and published in the city of Winnipeg. Members of the ethnic press, the Canadian Ethnic Press Federation, submitted a brief to the Postmaster General, and I should like to put on record a few of the facts that they brought forward for his attention.

Mr. Haidasz: Hear, hear.

Mr. Orlikow: I see that I have some support from the hon. member for Parkdale. It is nice to know, Mr. Chairman, that somebody on the other side takes an interest in these matters. I should like to refer to pages 10 and 11 of their submission. The publication *Nove Domov*—meaning "New Homeland"—a Czechoslovak weekly, has 16 copies to the pound. The present per pound rate is 1.5 cents, but the new rate will be 16 x 2 cents per copy or 32 cents per pound. This represents an approximate increase of 2,000 per cent. *Logberg-Heimskringla,* an Icelandic weekly, has 12 copies to the pound. The present rate per pound is 1.5 cents. The increase is from 1.5 cent per pound to 12 x 2 cents per copy which is 24 cents per pound, an increase of

approximately 1,400 per cent. *Progress*, a Ukrainian weekly, has 10 copies per pound. The present rate is 1.5 cents per pound. The increase from 1.5 cents per pound to 10 x 2 cents per copy or 20 cents per pound, represents an increase of 1,200 per cent.

• (8:20 p.m.)

Anyone familiar with the ethnic press knows that it is dying. As children of immigrants grow up, attend Canadian schools and become fully Canadian in all ways, they read ethnic newspapers less and less and other papers more. Consequently, the ethnic press is facing great difficulties, no matter what group it serves. I doubt whether it can survive more than a generation or two. Instead of concentrating on the well being of one or two leading ethnic groups in this country, I think the government ought to show concern for all ethnic groups and for the survival of the ethnic press. The minister's action means that soon the ethnic press will be no more. I think we will all regret its passing and miss the contribution it has made over the years to the Canadian mosaic.

May I now deal with how postal increases will affect the labour press. I wish to refer to a paper and an organization with which I have had little personal contact. I know hon. members opposite think I am partisan, and I suppose I am. Be that as it may, in my opinion one of the best labour publications in this country is *Labour*, put out by the C.N.T.U., an almost exclusively Quebec based organization led for many years in a fine manner by our present Minister of Forestry and Rural Development. Being faced with increased postal costs of about $70,000 a year, the leaders of that publication did something that I hope will not be permanent; they suspended publishing that monthly magazine. If any one person is responsible for the demise of that publication, that person is the Postmaster General. In the last election our party garnered a very small percentage of votes in Quebec, so I do not think anyone can accuse us of partisan political motives in bringing this matter to the attention of members of this committee and the Postmaster General.

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Orlikow: I had almost finished, Mr. Chairman.

The Chairman: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Orlikow: Thank you, Mr. Chairman. Postage costs for the machinists magazine put out by the International Association of Machinists have risen from $154 per week to $921 per week. Costs of mailing *Canadian Labour* have risen by more than 300 per cent. The same thing may be said about publications put out by steel workers and auto workers. Labour unions faced with such increased costs can do one or two things. After all, they cannot increase dues without going before a convention and persuading union members of the need for increases. They can suspend publication, as the C.N.T.U. have with their magazine; they can cut back on their publication, as many Canadian unions will; or they can do what I suggest steel, auto and railway workers unions will do, namely, arrange to have their publications printed exclusively in the United States and mailed from the United States. The Canadian Post Office will deliver all those publications, will bear the entire cost of handling them and will not receive a penny for doing the job. The blame for this will rest on the minister. To say the least, the minister has done a great disservice to our hopes of fostering Canadian unity and nationalism.

Mr. Haidasz: Mr. Chairman, I wish to make a few remarks on Bill C-173 respecting the organization of the Government of Canada, and I shall refer specifically to part II which establishes a Department of Communications. I feel compelled to make a few general remarks about a matter which is of importance to the city of Toronto and to my constituency, Parkdale. The people of Toronto are anxiously awaiting the decision of the Postmaster General with regard to the main Post Office in downtown Toronto, an urgent matter because the metropolitan planning board wishes to redevelop the downtown core and that section especially fronting on Lake Ontario. It would help us greatly if the Postmaster General and his officials would say whether we are to have a post office terminal downtown and other subterminals in the surrounding burroughs.

I sympathize with my fellow citizens who have experienced a delay connected with the mailing of their letters and periodicals. Now, it takes approximately four or five days to receive a letter in Ottawa mailed in Toronto. I hope the Postmaster General will give this

matter his urgent attention, since I know that many hon. members of the house have made similar complaints.

Mr. Hees: Eric, aren't you glad you have so many little helpers?

Mr. Haidasz: I hope the minister will help us. The third point I wish to raise, Mr. Chairman, is that in my constituency of Parkdale the population has increased greatly in the last couple of years. Instead of being given more sub-post offices we have been deprived of three or four existing ones. I have received many complaints from my constituents, especially from those in the southern portion of my riding. They want additional sub-post offices.

Another point I wish to raise was that brought to the attention of the house by the hon. member for Winnipeg North and has to do with the submission the Canada Ethnic Press Federation made to the minister in January of this year. I point out to the minister that a delegation from the Canada Ethnic Press Federation arrived in Ottawa this afternoon and is seeking an appointment with him. As the hon. member for Winnipeg North said, the federation is worried about the economic implications of increased postage rates on second class mail.

In the brief it is said that after April 1 the Czechoslovak weekly, *Nove Domov*, or New Homeland will face rate increases of up to 2,000 per cent. The brief shows how much other ethnic weeklies will incur increased costs. In Canada 75 publications are put out in languages other than in English and French, something pointed out by the Canada Ethnic Press Federation. The brief deals with the service the ethnic press has rendered to Canada in the past 60 years. I feel, Mr. Chairman, that the federal government should reconsider its postal rate increase policy and take into account the effect that this will have on certain publications of the Canada Ethnic Press Federation. I hope the minister if not tonight, then tomorrow when he meets the Ethnic Press editors, will be able to inform them what hope there is that they may continue to publish their very worth while publications.

• (8:30 p.m.)

Mr. Harding: I would like to say a few words, Mr. Chairman, about the particular clause of Bill C-173 headed "Communications". I have drawn a number of problems to the attention of the Postmaster General. Of all the ministers in the cabinet, I receive better and faster replies from the Postmaster General than from any other minister. I think this is something—

An hon. Member: That's because they are delivered by hand.

Mr. Harding: They might be delivered by hand, but this is something we in the opposition appreciate.

There are several questions I would like to raise in connection with the reorganization which took place in the Post Office Department a couple of months ago. There was a sharp increase in postal rates, Mr. Chairman, and along with it a drastic reduction in the service which the Canadian people receive. There is no use telling Canadians generally that the over-all service has been improved, because it has not. I can frankly tell the minister and the members of this house that it takes a longer period of time for letters to reach their destination. In the case of second and third class mail, newspapers and other printed matter, the period of time which it takes for delivery of them is nothing short of scandalous.

I think the Canadian people would gladly go along with an increase in some categories. Certainly, some increases were warranted and I would be the last to say that they were not. However, when you have a sharp increase in mailing costs and a sharp reduction in service, then people have every right to complain. If this is the type of reorganization that this Liberal government believes will give a better deal to the Canadian people, then the sooner we scrap this government the better it is going to be.

I want to say a few words about the effect this reorganization is having on small post offices. The majority of members in this house come from the larger centres. They have not the foggiest notion of the trouble which people in small communities have in every field of communications, whether it is mail, radio or television. The larger cities have the pick. They get coloured television before many of the rural areas can get even a black and white signal. Some of the small centres in my area have had a communication from regional directors of the Post Office Department to the effect that a number of small post offices will be closed because they are not paying their way. This is going to affect thousands of small communities. I want

to make very clear that these little communities have pioneered in Canada for generations. These are the people who have gone into the wilderness and have established small industries. They have worked mining and logging camps and have started farms in remote areas. This Liberal government in its reorganization program wants to deny them the right of mail service. I say very clearly and loudly if this government can subsidize *Time* Magazine and *Reader's Digest,* two United States magazines, to the extent of $1.5 million in this current year for mailing privileges in this country, then we in the small communities are entitled to some subsidies. I have no hesitation in bringing this to the attention of the government. We are not going to sit idly by and let another service to many of these small communities be discontinued.

It is amazing the government should insist on a certain revenue standard. They are thinking of closing many of the small post offices. If this is the Liberal theory of a just society, the government had better start thinking again because we do not agree with it.

I want to bring another matter to the attention of the minister. I mention again the question of mail delivery. I am opposed to a charge being made to people in small communities for a post office box. People living in Ottawa get their mail delivered to their homes free of charge. Why shouldn't people in the small communities have their mail delivered to a post office box in a central location free of charge? They still have to drive to the post office which is time consuming and costly. Do the people living in the larger centres have a special spot and privilege in Canadian society? I don't think so. I know the purpose is to raise revenue for the Post Office. The department has been losing too much money.

People in small communities who formerly paid $2 for a post office box are now paying $4. In some of the larger centres the former rate of $2 has now been raised to $8. This is absolutely incredible! People who must drive three or four miles into a city to pick up their mail have now had this sharp increase in mail box rentals. I do not blame them a bit for being angry with a government that has such an unjust method of levying another tax on the people living in smaller centres.

• (8:40 p.m.)

There is just one more thing I am going to say and it concerns the labour problem currently facing the Post Office Department. I, too, am going to plead with the Postmaster General. What could the government expect? There has been a major change and overhaul in the delivery system. In a country as vast as Canada, the government must expect to have some labour unrest when these changes are taking place. Again I plead with this government not to continue the practice of threatening the men working for the Post Office Department with court action. Some of the members in the back benches do not have the foggiest notion of good labour relations. They would have this country in a complete turmoil. I urge the Postmaster General to move slowly and carefully in respect of this problem. It can and will be sorted out, but let us realize that in an adjustment period when there are major upsets it is wise for the person in authority not to barge ahead like a bull in a china shop because this can only result in difficulty. I suggest that the Postmaster General might talk to the Minister of Labour, who at least I believe understands the problems of labour. Possibly he would be in a position to give the Postmaster General some guidance in respect of how he should proceed. There is no one in this house or in Canada who wants to see trouble, particularly so far as the mails are concerned. Again, I urge the government to move very, very cautiously.

The Chairman: Shall clause 7 carry?

Mr. Peters: Before it does, Mr. Chairman, I should like to add a few words to some of the comments which have been made by the rural members. I have been sitting here thinking that there are a number of federal representatives in the Liberal party from the northern part of Ontario and other rural areas. I am wondering why they have not raised some of the problems which I know are current in their areas. For instance, there is the hon. member for Timmins. I do not know why he has not mentioned some of the post offices in his area which are closing, and the disruption that is taking place because of this. I am sure the hon. member for Cochrane is in the same position, as is the hon. member for Algoma and as are other members from northwestern Ontario. In each of these areas, the population has been dropping.

All the rural areas are experiencing difficulty in maintaining any kind of identity because their identity in many instances has boiled down mainly just to a post office address. When that address is gone, there is really nothing left in those communities on which to build. Many of these communities

have been in existence for 50 or 60 years. They have resources other than the rural economy to support them and therefore, in most cases these communities will have a future; but for the sake of economy many of their addresses have been cut out. Today, I received a notice in respect of the closing of the post office in the village of Charlton. This town was incorporated in the very early days of northern Ontario. It is true there are only 2,000 patrons of the post office. The present suggestion, however, is to get rid of the post office and the postmaster because the expense involved is $2,600. I do not know why he was paid $2,600.

An hon. Member: He was a Liberal.

Mr. Peters: Of course he was a Liberal or he would not have had the job. Now, I understand the post office will be located in another store where there will be boxes. This will mean that the people there will have to pay $4 for a box. They not only will lose the service they had but in addition they will not have the privilege of buying money orders. This would seem to be very unfair. I believe the minister should consider the aspect of rural community life that has centred around the post office and what a postal address in effect means to the people in a community.

A similar situation occurred in the past in respect of the railway. When rail lines were abandoned the centres no longer had a station. Many people would like to maintain the communities which are in existence. It is my opinion that many of them will have a future in any event. I do not believe the minister intends to do anything about this. He has already made the decision, and therefore no appeal that any member makes in the back room, in the caucus or any place else, in my opinion, will make any difference.

I think, however, I would be remiss if I did not lament the passing of many of these post offices, especially when the expense involved is not sufficient to warrant the curtailment of the community activity which would be the result of the removal of the post office. I think the elimination of these post offices is another step toward the end of rural communities.

I do not know whether this has been mentioned by the minister, but I should like to refer to the matter of educational television. I believe this is an immense field and one which we should not enter lightly. I am very surprised that in recent months and recent years the federal government has been very anxious to refer to the limiting influence the constitution has in respect of the federal government becoming involved in any type of education. In view of some of the things which have been said in recent months in the province of Quebec, for instance, which has entered this field, and also the interest of the province of Ontario in educational television, as well as the great emphasis that has been placed upon the educational system for the beatification of a provincial government, it would seem to me there is a great deal of merit in the federal government playing an important role in this field. Through educational television, there would be an opportunity for the retraining and scholastic advancement of people who have dropped out of school. People would be in a position to take advantage of the educational programs to upgrade their education. Therefore, I believe it would be in the interest of the Canadian public to have this programming controlled by the federal government. I realize there are the arguments about the holy cow aspect of the provincial jurisdiction in respect of education.

An hon. Member: Sacred cow.

Mr. Peters: Whether it is a sacred cow or a holy cow, I fail to see the difference. Whichever it may be, I believe the provision of a standard across the nation is a good deal more important than the satisfaction of certain provincial educational systems which are not providing a national standard. Eventually, we will be involved in types of technical educational training by which tradesmen and technicians will be able to take advanced courses by means of television. In my opinion, it would be very foolish for us to allow the provincial governments to control this type of education when by this means it would be very easy to provide a standardization in technical and trade education across Canada. I hope the minister will consider this. I know he has great capacity in this field. I know also that once he has made up his mind there is no point in saying anything about it because he is not likely to change his mind.

• (8:50 p.m.)

If he has not already done so he should consider some of the statements which have emanated from the general conference in Montreal this week, as well as some of those made by leaders in the province of Quebec, educational people in the province of Ontario and other provinces, in respect of what they intend to do with educational television.

This is a powerful media which will probably prove to be more powerful than the classroom, and could be put to great use in the educational field. In this way, we may be able to overcome some of the limitations that exist in the educational field in various provinces, particularly in respect of scholastic advancement in adult education.

When the minister is setting up this department of communications, I hope he will move to accomplish great things in the educational field of adult training. Perhaps he can maintain one or two channels in this field for government use. In this way, he may be able to remedy a difficulty existing in certain provinces in respect of educational communication.

When the minister is considering this matter, I hope he will take into account some recent statements and expressions of the aspirations of provincial educational people. Surely he will agree that there is a beautiful opportunity for the federal government to provide equality in educational television to all national viewers.

Mr. Hees: Mr. Chairman, I rise to speak very briefly about something I observed and thought very interesting. A few moments ago the hon. member for Parkdale rose and made an eloquent speech outlining a number of things about which he wanted information from the Postmaster General for the benefit of his constituents. Obviously, these are things he has wanted to know about for a long time. They related to the Post Office and other things under the jurisdiction of the Postmaster General. Obviously, he has not been able to get this information.

The hon. member was trying to obtain this information from an individual who sits beside him in this house. At any time he was speaking he could have reached out and touched that minister. I draw this matter to the attention of the house because during the last election we heard a great deal from the Prime Minister about the need for better communication within this country and how he intended to bring about this better communication. He said this was going to be a government of dialogue, that there would be dialogue between the people and the government so, the government and the people would be much closer together because they would understand each other. For the first time, there was to be a tremendous amount of communication.

Ladies and gentlemen, or Mr. Chairman, I should say—

An hon. Member: What a play to the gallery.

Mr. Hees: If you had looked at the gallery, as I have, and seen the attractive people there you would understand why I spoke that way.

Let me say that what has happened indicates just how valid the election promises of the Prime Minister were. We have two members of the same government, one a minister and the other a parliamentary secretary, who sit side by side in this house but are unable to talk to each other. As the hon. member for Parkdale has said, he has not been able to get any of the information he has asked for regarding this important matter from the Post Office Department.

It seems to me that this is the beginning of a revelation which has occurred recently in respect of the gap in credibility. This credibility gap has plagued government leaders all over the world including Mr. Wilson, Mr. Johnson and General de Gaulle. It now seems to have come home to our Prime Minister. Perhaps this is the reason we read last Saturday with great interest the latest reports of the Gallop poll which showed that the majority of the people in this country have become dissatisfied with the operations of this government. This situation results from the fact that the Prime Minister's election promises have simply not come true.

Clause 7 agreed to.

Clauses 8 to 12 inclusive agreed to.

The Chairman: We shall now proceed to Part III, the Department of Industry, Trade and Commerce.

On clause 13—*Department established.*

[*Translation*]

Mr. Pepin: Mr. Chairman, on introducing the present bill a few days ago, the Prime Minister (Mr. Trudeau) explained its rather simple objective: the improvement of the government's administrative organization in order to deal more efficiently with those unavoidable, permanent and new problems which the country must face now and in the future. The same concern had led to reforms to parliamentary procedure and cabinet administration.

Any self-respecting institution updates its methods, from time to time, in a word, modernizes its framework.

If, in politics as elsewhere, the subject matter is the most important, the structure is equally important as it shapes, molds and channels action and therefore improves the results. It would be quite wrong to ignore the structure.

The amalgamation of the Departments of Trade and Commerce and of Industry plays a very important role in the present reorganization of the federal government, the third since 1963, if one considers that the Department of Industry was then established. This amalgamation will result in the establishment of policies which will be more worthwhile yet and it will create a wider range of services for businessmen and for Canadians, generally.

[*English*]

I feel honoured and challenged by the mandate given me to bring together the qualities and capabilities of the present Departments of Industry and Trade and Commerce and to forge for the future a strong, forward-looking ministry.

Our capacity to develop in Canada our social programs, provincial or federal, to upgrade our educational, medical, welfare and cultural standards, to afford the investment required to narrow our regional disparities, this capacity, I say, depends in essence on our economic strength as a whole and on our efficient industrial and commercial growth. It is to these essential elements that the efforts of the Department of Industry, Trade and Commerce will be directed.

I was observing in Montreal recently, rather prosaically, that the just society is easier to achieve in prosperity than in economic mediocrity. I am quite sure that the hon. member for Prince Edward-Hastings will agree with at least that part of my speech.

The department's objectives are spelled out in detail in the bill and I hope they will command the general support of the house.

In summary, the role is to help to further the growth, productivity, employment opportunities and general prosperity of the Canadian economy through the efficient development of Canada's manufacturing and processing industries and the expansion of our trade and tourism.

• (9:00 p.m.)

[*Translation*]

How will the department be structured to reach those objectives? The basic principle consists in incorporating into the structure of the new department the essential relation that exists between the industrial development and the progress of exports.

My hon. friends have surely noticed, as I have, two essential things in modern economy.

The first is that international trade is increasing more rapidly than the world production of commodities; in other words, men export to other countries more and more of their products. Since 1960, the world production has been increasing, in real terms, at an annual average of 5.4 per cent, while the average annual increase in world trade has reached 7 per cent. As for Canada, comparative figures show that the annual increase in national production has reached 5.2 per cent, while exports have increased at an average rate of 10 per cent during that period. Therefore, foreign trade increases faster than the production of goods.

Secondly, trade in manufactured products increases more rapidly than in basic food products and raw materials. During the last decade, world trade in manufactured products increased by about 140 per cent while world trade in basic food products and raw materials rose by 55 per cent during the same period. Canadian exports of manufactured goods increased by 190 per cent and exports of basic food products and raw materials by 80 per cent. Therefore we can see that our export increase is much greater in the sector of manufactured products.

Again in Canada, manufacturing and processing industries produce now nearly three quarters of all our exports, that is 35 per cent in wholly manufactured products and 38 per cent in partly manufactured products. However, there are still people who believe that our basic products make up the bulk of Canadian exports. The figures I have just quoted indicate that about 75 per cent of our exports are made up of manufactured and processed goods. It is therefore in this sector that we must especially look for substantial economic gains and new job opportunities, for instance, without overlooking basic products.

The connection between industrial development and trade expansion comes out even more clearly if we consider the following propositions which I think are quite simple but essential:

(a) to retain our Canadian domestic markets and our existing foreign markets and to gain new ones, we must produce at competitive prices goods which are in demand:

(b) to produce such goods competitively, we must win as many domestic and foreign markets as possible, so as to make economies of scales and of specialization.

In other words, to sell mining, logging, school and medical equipment on the Canadian market, we must also be able to sell it on the foreign market, so as to achieve competitive prices.

The integration in one department of Industry, Trade and Commerce is a way of recognizing administratively, if I may be allowed to use the expression, the vital relationship between industrial development and trade expansion. The rest of the reorganization will be in accordance with this basic principle.

Each of the assistant deputy ministers shall have both domestic and external responsibilities. Thus, the first assistant deputy minister, Mr. Kniewasser, whom many hon. members know well, will be responsible for management and coordination, both in Canada and abroad, in the field of industrial and business development. The assistant deputy minister responsible for operations, Mr. Head, will be in charge of administration and coordination of the nine operation "branches" of the department which, incidentally, include clothing and textile products. I imagine that this brings back memories to the hon. member for Prince Edward-Hastings (Mr. Hees). The nine branches are the following:

Clothing and Textiles; Chemical Products; Electricity and Electronics; Machinery and Materials; Agriculture, Fish and Food Products; Wood Products; Space, Marine and Rail Industries; and, finally, Motor Transport. They will be responsible mainly for promotion and consultation services with manufacturers, whether or not they are exporters. They will have to draw up and implement assistance programs for the area to which they have been assigned, in the light of studies they will make about the problems and possibilities of selling the products in question, in Canada as well as abroad.

The assistant deputy minister for external services, Mr. Mundy—who will also report to the first assistant deputy minister—will be responsible for the trade commissioners' service and also for the international defence programs branch. The experience of Mr. Mundy's group, in matters of marketing abroad, will be made available to the industrial development pattern service in this country.

The assistant deputy minister of the commercial and industrial policy branch, Mr. Schwarzmann, will also have a domestic and external jurisdiction. He will be directly responsible to Mr. Warren, the well-known deputy minister, for the commercial policy especially for the negotiation of international agreements. But the direction of the advisory council on industrial policy will on the whole be under his jurisdiction.

Mr. Chairman, I could go on enumerating the domestic and external, industrial and commercial responsibilities of every senior official, but I will refrain from it.

[*English*]

These examples serve to illustrate the integrated approach, as I have just illustrated, which the new department intends to adopt in implementing the expanded mandate now being sought from parliament.

I should like to say a few words on tourism, for which the new department will also be responsible and which earns $1 billion a year for our balance of payments. The intended departmental approach to the development of our tourist industries and the expansion of Canadian income from tourism also reflects an integrated approach, although these activities are to be identified as a separate program within the new department.

The Office of Tourism will comprise, first, the Canadian Government Travel Bureau, the promotional arm with particular responsibilities for attracting visitors to Canada. It has 24 offices abroad. The Office of Tourism will also comprise a branch devoted to the study of our domestic travel industry and its needs for growth and development to meet the requirements of the highly competitive international travel market; all this, of course, in the closest possible co-operation with the industry, the provinces and other federal departments whose activities are relevant to the development of the tourist attractions and facilities of Canada. Here again, the international and the domestic will be closely matched, closely linked. The supply will meet the demand.

May I now comment briefly on the need for industrial innovation and how the department is and will be helping it. A key responsibility of the new department will be to assist manufacturing and processing industries to adapt

to changes in technology and to changing conditions in domestic and export markets, to help them rationalize and restructure their facilities and cope with exceptional problems of adjustment.

Already the Department of Industry has responsibility for a variety of programs to this end; for example, the Industrial Research and Development Incentives Act, known as IRDIA, the Program for the Advancement of Industrial Technology, known as PAIT, Defence Industry Productivity, known as DIP, the General Adjustment Assistance Program, known as GAAP, the Automotive Assistance Program, and so on.

• (9:10 p.m.)

When my estimates go before the Committee on Finance, Trade and Economic Affairs we will have a chance to review the implementation of these programs. These programs will be developed and modified as needs and priorities dictate. Our assistance programs and services will be oriented to product and process development, to the greater use of industrial research, and the application of advanced technology and modern management techniques. Actually we have studies leading to the improvement of some of these programs and to the possibility of establishing new ones. We shall continue to encourage and promote the utilization of improved industrial design and the application of sound industrial standards, design and standards being another responsibility of the department.

Through these various means, such as research, development, modernization, industrial design and industrial standards, it is hoped to stimulate greater productivity and a major expansion of innovative activity in Canadian industry and thereby to enhance our productive capacity and our ability to compete in domestic and in foreign markets.

It will not be enough simply to stimulate research and development. The process, if it is to yield results, must be carried through to the point where the benefit is gained in terms of profitable marketing of new products, and all that that means for employment and growth. Here again, the international services of the department will advise the domestic services.

I would have liked to say more about exports and something about wheat and the relationship between the department and the Wheat Board, but time will not permit me to do so. Up to now, I have emphasized the fundamental and compelling economic rationale for a combined approach to the related problems of industrial development and trade at this juncture of Canada's growth and evolution toward a balanced and mature economic society.

The case for the now merged department would stand on that ground alone, but there are other advantages to a single department that may be mentioned.

First, the business community will be able to reduce the number of points of contact it must maintain with government and so increase the efficiency of its liaison. This central point of contact will also facilitate a more complete and rounded appreciation of business problems and business needs within government. Already an advisory council has been established, has met once, and will be concerned with both industrial development and trade.

Integration of the two departments will also contribute to the avoidance of possible duplication of activities and will permit financial and personnel savings to result from the reduction in common services and overheads. I might mention at this point that there will be a saving of 184 positions.

Integration will also bring improvements in the interflow of information as between the elements which made up the predecessor departments and between users in Ottawa and in the field, both as regards marketing and industrial development and commercial and industrial intelligence generally.

[*Translation*]

Mr. Chairman, if this is all true, the question will surely be raised pretty soon: why a single department in 1969 and two in 1963? I imagine that question will likely be put to me.

At the outset of my comments, I mentioned that industry, trade and tourism must keep face with, and even foresee, the evolution of the economic environment and of technology.

This line of reasoning is as good for the government as for private entreprise.

A formula can prove expedient at one time and inadequate later, when circumstances have evolved.

That is naturally a theme which the Prime Minister often brings up when urging us to review the situation. Some seem to wonder at the number of reviews in which we are involved at this time, but I, for one, often say

that the process of reviewing policies is quite normal, and when one is completed, it would be only logical and reasonable to start another one on the same topic the day after because things are changing very quickly.

It was with this in mind that the Department of Industry was set up apart from the Department of Trade and Commerce in 1963, and it will be for the same reason that the two departments will be merged soon into a single Department of Industry, Trade and Commerce. Therefore, there is no contradiction.

In 1963, on the eve of the Kennedy Round, it was generally acknowledged that industrial expansion should be more aggressive in Canada, more able to withstand world competition, capable of promoting the development of manufacturing industries and of increasing the number of jobs available to our labour force. It was thought, in some well-informed circles, that the federal government should help the industry to meet these new conditions. In view of the circumstances prevailing then, a new start had to be made, new fields had to be explored, new priorities had to be established, etc. Those were the factors which brought about, in 1963, the establishment of the Department of Industry, and those objectives have been attained.

May I also point out the particular circumstances? In 1963, the Minister of Industry was at the same time Minister of Defence Production, therefore, a very busy man with two departments to head. Today, the expanded Department of Defence Production, now the Department of Supply and Services, has its own head.

We must also recall that in 1963 the Department of Industry looked after regional development. This sector has become the responsibility of a separate department.

Therefore, before accusing us of sometimes being illogical, consideration must be given—that is what I am trying to prove—to particular circumstances which prevailed in 1963, and to changes which happened since then, in the conjunction of circumstances inherent to every situation.

Anyway, the transmission of the new function to a new and separate organization, in 1963, helped it—I am referring to the Department of Industry, of course—to gain influence, prestige and the necessary instruments to work in re-orienting our economy. All those things remain in the new structure.

I have already mentioned a certain number of important programs operated by the Department of Industry. But there are several others which I would like to mention, especially that famous automotive agreement entered into by Canada and the United States, which has proved very successful, as well as the agreement on machinery which enables us to import industrial equipment duty-free.

Through that Department of Industry, there is now a better co-operation between the business world and the government.

We are therefore facing a new combination of circumstances which compels us to amalgamate those two departments and once again it seems to me that there is nothing inconsistent in that.

Anyhow, the opposition said in 1963 that the Department of Trade and Commerce should also be a Department of Industry. The least we can expect from members of the opposition tonight is that they approve the merging of the two departments. Personally, I hope that the debate will be shorter than the one on the establishment of the Department of Communications.

• (9:20 p.m.)

[*English*]

Mr. Hees: Mr. Chairman, I think we have all listened with a great deal of interest to the Minister of Industry, Trade and Commerce. I must congratulate him on his presentation because in it he proved that he has the primary quality of a Minister of Industry, Trade and Commerce, namely that of a salesman because he came very close to selling parliament the idea that the Department of Industry, Trade and Commerce is something new. In fact, what he said tonight was proof that industry, trade and commerce should never have been split up by the government six years ago. As I listened to the minister speak tonight I said to myself, as one often does on hearing something familiar, "I recognize some of my own speeches, there." If hon. members would look back through the *Hansard* of those days they would find the minister was saying exactly what I said in the House of Commons about the function of the then Department of Trade and Commerce. I want to congratulate the minister on taking an old product, a successful product, one which was made successful by others than himself, and introducing it to the world as something brand new, something exciting, something which will bring results which were never achieved before. I congratulate him. He is undoubtedly

a salesman. If I had not been here in the house I am sure many hon. members would have believed this was a brand new department and that the hon. gentleman was leading a brand new crusade.

However, as all who have had some connection with this department know, until 1963 the Department of Industry was in fact the industry section of the Department of Trade and Commerce. As any businessman in Canada will tell you, this industry section did an excellent job by helping industry to lower costs and improve design and quality. It helped industry greatly to make sales not only in Canada but in the export market. As we know very well, and as the minister stated tonight, the sections of industry in Canada which produce for the export market and those which produce for the domestic market are substantially the same. Industry produces primarily for sales in Canada. Then, it discovers there are possibilities for selling a product abroad, and it sells in the export market as well.

Prior to 1963 when the government saw fit to create a new department and split industry apart from trade and commerce, businessmen who came to Ottawa seeking assistance in developing production methods or in selling their products abroad went only to the one department. This was very convenient, and the department was laid out in such a way that they could find their way round easily and get the answers to their questions in a very short space of time.

Then, Mr. Chairman, as you and I know very well, the Liberal government was elected in 1963. It had been out of office for six years and it had a great many political debts to pay. It was looking for some way in which to provide good jobs at high salaries for people who had been helpful in the past. So, the Liberal government of that day decided to obey Parkinson's law by creating two departments to take the place of one department which had up to that moment been doing an excellent job. Ask any producer in Canada about the kind of job the Department of Trade and Commerce had been doing for producers and sellers, and the unanimous opinion, I am sure, would be that it had been doing first class work.

Let us try to figure out what this bold venture dreamed up, I believe, by Walter Gordon and acceded to by his colleagues has cost this country in the meantime. In 1963—and I am familiar with these costs because I submitted them to the Treasury Board myself in that year—the outlay for the industrial section of the Department of Trade and Commerce was $1,500,000. It is difficult with the figures presented by the government in the meantime to sort out exactly how this total increased, but it is obvious that even taking into account expanded operations, and the fact that salaries do increase year by year in this and every other country, the cost of doing the same job today by the Department of Industry in the same fields as those previously covered by the industrial section of the Department of Trade and Commerce has risen astronomically year by year.

I have gone over the figures and I am confident that this experiment by the Liberal government in 1963 in splitting two departments which should obviously have remained together has cost the Canadian taxpayer at least $50 million which should never have been spent. Indeed, the cost could easily be a lot closer to $100 million. The increase in staff was fantastic, and any businessman in Canada would tell you that this increase only served to make his communications with the Department of Trade and Commerce and the Department of Industry from then on about the most complicated process that a human being could imagine.

After the separation of these two departments which, as the minister eloquently pointed out tonight, belong together and always will, businessmen spent hours and days going from one department to the other trying to find out from various civil servants who looked after what. I have been told that going into these two departments was far worse than entering any maze. This is why the government has finally decided to correct the colossal error it made six years ago by bringing industry, trade and commerce back together once more. It is taking this action because the producers of this country have demanded that the government cease this nonsense they have had to put up with for the past six years, and straighten out the maze through which they have been trying to find their way. They have demanded that the government bring industry, trade and commerce under one roof again, working together under one minister, not at cross purposes, not spread out all over Hell's half-acre, but constituting again one comprehensive department. The minister knows this very well, as does every businessman in Canada.

The operation I have described is typical of the kind of foolishness which has cost the

taxpayers of this country millions and millions of wasted dollars during the life of the Liberal government. It is a process exemplified by the figures produced recently in connection with the *Bonaventure,* the hydrofoil project and other things of that kind. People have been wondering for some time why this government has not been able to balance its budget, despite the fact that the Minister of Finance has told us many times that this is his intention. It is because the government is overspending; it is because things of this kind have been getting out of control. I rise simply to call attention to a few of these facts; I do not intend to take up any more of the committee's time.

• (9:30 p.m.)

I end by urging the government to get on with the job it was elected to do, the job of running this country efficiently. I am glad to see that the government has seen the error of its ways in 1963 when it split industry, trade and commerce. This the government should never have done, and it has cost a great deal in the form of wasted taxes and wasted time and energy on the part of the business community of Canada. I urge the government to cease any further effort it might have in mind with regard to similar empire building and to stop wasting taxpayers' money, as was done in this case. The government should start paying attention to the needs of the country and manage the economy of the country in a sane, economic and practical manner.

The minister has my very best wishes. He has the best department in government. Now that these departments are together again, the merged department can do a great job for this country. Certainly, it did a great job in the past. The department was largely made what it was by the late C. D. Howe, a great Canadian. It has great personnel of great ability. I am glad to see both industry and trade and commerce together again. They should never have been parted. Let the department now go ahead full steam. I think the minister can do a good job—I hope he can—and he has not only my best wishes but I feel sure the best wishes of the members of this house.

Mr. Saltsman: Mr. Speaker, we have been gathered together tonight to join together or, rather, to effect a reconciliation between industry and trade and commerce. I feel somewhat like the unwelcome guest when the minister says "Whosoever has reason". I have reason. I think it is a mistake to put industry and trade and commerce together. While the new minister is making like the father of the bride, I should like to bring some matters to his attention.

To begin with, I assure the minister of my most sincere hopes that some of the fears I have about the new union will not materialize. However, real problems are involved in putting the two departments together. In order to understand those problems I think we have to go back to 1963 and try to understand why the government established a new Department of Industry.

It may be easy enough to dismiss the creation of a new department as a repository for people to whom some political obligations were owed. However, I should like to feel there were sounder reasons for the establishment of this department. The Prime Minister of that day expressed it in these words:

> —we have to accept the fact that manufacturing industry, secondary industry, is the source from which the new wealth and the new employment must largely come.

Further on, in introducing the new department, he said:

> Our aim today cannot be simply to build up industry, any kind of industry in a general way, by general action. Canada's need is for industries that will thrive in the modern world, industries that will fit into the new patterns of international trade which are now emerging and to which we will have to adapt ourselves.

There was a recognition at that time that the future of Canada lay in the development of its secondary industry. Perhaps people sensed there was a conflict between secondary industry, primary industry and the Department of Trade and Commerce. Traditionally, the Department of Trade and Commerce had a fish or fowl attitude. In other words, "Let us export raw materials as rapidly as we can". The very fact that only $1.5 million were allocated in the department to the service of secondary industry is an indication of the downgrading of manufacturing in this country within the department.

It is very difficult to serve two masters, and I suggest that exporters of raw materials and manufacturers of finished goods have somewhat different terms of reference and different outlooks when it comes to what should be done to develop their industries. For example, let us take a look at our tax system. It is obvious that our tax system was designed for the exporters of raw material in this country. Secondary industry has largely been ignored. As the Carter commission pointed out, almost all of the incentives have been given to those

people who produce in the raw form—oil, mining companies and such like. In such a tax system there is no tax avoidance, as Mr. Carter pointed out in one of his speeches. What is tax avoidance for some becomes a tax penalty for others.

The gains that were accorded primary industry, the mining and oil industries in particular, were the costs that were imposed upon secondary industry in this country. This may not have been absolutely understood at the time this separation took place, but I think the feeling developed that if manufacturing were to come into its own in this country it needed its own minister, its own impetus. I like to think that this was the reason the department was created.

Our manufacturing industry in Canada has been sick for a long time, and I say that with very great regret. As long ago as 1957 it was pointed out in a report called "Canadian Secondary Manufacturing Industry, Royal Commission on Canada's Economic Prospects", not only that manufacturing industry was sick, but also the symptoms of the sickness. Some suggestions for its correction were also indicated.

I should like to read a short paragraph from page 160 of that report which was put out by D. H. Fullerton and H. A. Hampson;

> —the problem of unspecialized production in Canadian secondary industry is due to many causes, including the excessive fragmentation of the Canadian market stemming from our importation of the American structure of industry. It is in part also due to the reluctance of domestic producers to specialize to the same extent as in the United States, and in some instances, to the less competitive nature of certain Canadian industries.

This report, as I say, was published in 1957. When the Third Annual Review of the Economic Council was published, the Canadian Trade Committee commented on the report. They said that the striking thing was that the increase of income per capita in Canada was the lowest of all the industrialized countries, and that the Economic Council did not expect this rank for Canada to alter in the period that is to come. Then, the Committee went on to say that Canada has a per capita income markedly lower than the United States, and also has benefited from a relatively greater shift of population from agriculture to other sections of the economy than the United States during the past ten years. Yet her experience, they point out, does not match what the simple inverse relationship between income and growth of income per capita, mentioned above, would seem to promise.

There have been all sorts of reports published pointing out that we have the highest level of capital investment per worker in the world; higher even than that of the United States. It is almost 30 per cent greater per worker in Canada than in the United States. Yet our productivity is some 20 to 30 per cent lower than that of the United States, an incredibly bad performance. This is not the result of the inability of Canadian workers or the reluctance of Canadian workers to work. In industries where rationalization has taken place we have not only matched the productivity of the United States but have exceeded that productivity. The combination governing the factors through which resources are brought together in this country is playing havoc with our ability to develop our manufacturing industries. The Fourth Annual Review of the Economic Council of Canada took up this matter on page 165 to the following effect:

• (9:40 p.m.)

> There is accumulating evidence from various sources, including the special survey undertaken in this field on behalf of the Economic Council, that short production runs and a relatively large degree of product diversification is an important and pervasive phenomenon in Canadian manufacturing plants. The importance of this phenomenon stems from the fact that it tends to keep prices and costs relatively high and to hold down productivity.

The Watkins report pointed this out again. I read from page 404 of the report, where the following appears:

> Without an appropriate set of industrial policies which create an efficient structure of industry in Canada, the benefits of foreign direct investment tend to be emasculated.

We have imported vast quantities of capital which has been virtually wasted because it has not been used properly. This factor must have influenced the government in 1963 in setting up the Department of Industry. They wanted to bring about greater productivity in our industry and greater rationalization in the Canadian economy. One instance of rationalization which is bad is the Canada-United States Automboile Agreement, a rationalization of the wrong kind because it tied us completely in with the United States market. Avenues of rationalization other than those leading to the surrender of our sovereignty are open to us. It is true that as the result of the Canada-United States Automobile Agreement, productivity in certain of our factories

has increased and parity pay for our workers had been made possible. Those are the benefits. The disadvantages lie in the fact that by losing the power to make decisions on an economic level we may lose our political freedom. All decisions affecting the automobile industry are made in the United States and not in Canada. There is a growing danger that activities needing skill in the manufacture of automobiles, such as designing and so on, will take place in the United States. We may not become hewers of wood and drawers of water, but we may become fender fitters and people who tighten nuts and bolts.

Despite what some hon. members opposite think, I am greatly impressed with the people in the Department of Industry. Several times I have called on that department for assistance for some of my constituents. I think that in no other department will be found civil servants as knowledgeable and capable as in this department. The problem has not been with the people of the department; it has been with how the department has been directed. It was a good idea to set up a department dealing with secondary manufacturing industries in Canada, and it was worth spending $1.5 million on it. The department has failed us, not because of any intrinsic defect in its organization, but because there was lack of direction from the top, because the government lacked vision and because the people in the department had no terms of reference to guide them. They were frustrated no matter where they turned. Instead of trying to correct faults in its previous policy the government has thrown up its hands in despair saying, "Let us go back to our old ways.". They have even trotted out the old speech writer to write the same old speech. This is an abdication of responsibility and I cannot see that any useful purpose will be served by combining the two departments.

I watched carefully as the minister announced rather shyly that he was lopping off 184 people from departmental strength. He was not looking to our corner of the house when he said that but at the Conservative benches, because he knew he would find approval there. I submit we are being penny wise and pound foolish. Obviously, if reducing the personnel of a department mattered that much more people would have been lopped off its strength. We must consider the relation between benefits to be gained and the number of people employed. What good will it do to lop off 184 people from departmental strength? It might be worth our while adding another 184 people to the department if secondary manufacturers of this country could thereby be assisted in being more productive. It is more important to determine the relationship between costs and achievements. We should not go around with an abacus counting the members of the department.

I began by saying there is conflict within the department on the question of capital use. In any society capital is a scarce commodity. How are we to allocate capital? Is it to go to secondary industry or will the old and inefficient inducements in the field of mining and oil be continued? A spokesman for secondary industry was needed in the cabinet. We recognize that the various regions and industries of this country need representation in the cabinet. A minister speaking for a particular region or industry in cabinet persuades his colleagues to his point of view, and the cabinet as a whole makes the decision. In this way, conflicts are resolved. Yet the spokesman vital for secondary industry did nothing and said nothing because he was immobilized. I do not know whether the blame for that lies with the government. Did it not allow the minister to exercise his responsibilities? This party recognizes that consumers of this country need representation in cabinet and the Minister of Consumer and Corporate Affairs is their spokesman. Surely, it is a mistake to have the muted voice representing industry in cabinet combined with the voice speaking for trade and commerce. I submit the two voices ought to be completely separate.

Recognizing clearly the problems facing this country in the field of secondary industry, the Deputy Minister of Industry, S. S. Reisman, made the following comments in a speech, as reported in the Toronto *Star* of February 2, 1968:

> The proliferation of firms and products, combined with the relatively small size of the Canadian market, has tended to make us less efficient than we otherwise might be, particularly in comparison with the U.S.—

I wish to comment on that statement. It is not the size of the Canadian market that inhibits our developing efficient industry. The Canadian market is probably the second most affluent market in the world. A population of 21 millions is not inconsiderable. The difficulty stems from the fact we have inherited the United States pattern of marketing and production, and we have forgotten that Canada

is not the United States. What might make sense in the United States, a country with a population 10 or 11 times the size of ours, does not make sense in this country. I am not one who sees a bogeyman in United States investment. I do not believe that United States investment cannot be controlled or directed to the best purposes of this nation, if we want it that way. The danger is not so much from the investment or the fact that they are Americans, Germans or anyone else, but from the fact that they bring with them their pattern of doing business which is inappropriate to our society. It just does not make sense. We have one of two choices. Either we break through this pattern and find some way of developing different methods of production in this country, or we succumb to that great continental market.

• (9:50 p.m.)

Continental integration of our economy would be a disaster of the greatest magnitude for us. Continental integration does not give you a political say. However, I do not want to discuss that aspect of the political problem. I would rather go on with the technical details. I would like the opportunity of going further into this matter with the minister. I want to conclude my remarks because it is getting rather late in the evening. I would like to make a few more remarks at this time and perhaps avail myself of the opportunity of making some additional comments later on.

The Chairman: Order, please. I might point out to the hon. member that his time has expired. Perhaps the committee would be disposed to grant him leave to continue?

Some hon. Members: Agreed.

Mr. Saltsman: Thank you very much, Mr. Chairman. I appreciate the courtesy of the house and you, Mr. Chairman.

The minister has undertaken very heavy responsibilities. He enumerated all the various responsibilities which he inherited, such as tourism and wheat. With regard to wheat, some people question whether the minister has been able to handle that adequately. He also has the responsibility for resources and manufacturing.

How much attention can the minister be expected to devote to this great problem of rationalization? I am not saying the minister will not try. I am sure he will. I know he is a man who works hard and wants to do a good job. It is not on lack of intent or intelligence that my fears for this department are founded. It is just that he cannot do it. A man is being asked to do the impossible, Mr. Chairman, when he has this many obligations. Surely, this is an impossible task for anyone who wishes to innovate and make departures from the ordinary, as he must do.

The minister will have no alternative but to take the easy way out, call in the businessmen and say, "How would this suit you fellows? How would you like this organized?" The minister may not want it that way but he will have no choice except to behave in this way. It may not be the minister who will run the department, but the department and the international corporations that will run the minister.

I will conclude, Mr. Chairman, in deference to the courtesy extended to me. I am quite worried about this marriage. I want to point out the little flaws of the bride, and the groom may not be all he is supposed to be. I do not like sounding this sour note, but it is a policy. It is an amalgamation that is rooted in a failure, not the failure of an idea but a policy. If that policy failed before, what assurance have we now that it will not fail when the minister has so many other responsibilities in addition to the new one being added?

The Chairman: It being ten o'clock, shall I rise, report progress and request leave to set again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): I would just like to confirm, Mr. Speaker, that tomorrow we will continue with the government reorganization bill. As agreed, when we make progress on this item we will not deal with the next part of the bill in successive order, Part IV, with regard to the Department of Regional Economic Expansion. Rather we will go on to Part V and the subsequent parts and return to Part IV for completion after we have dealt with the rest of the bill.

Mr. Deputy Speaker: In accordance with Standing Order 40, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore, the question is that this house do now adjourn.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

PUBLIC SERVICE—COMMITTEE STUDYING INCREASES IN PENSIONS OF RETIRED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, February 11, as recorded in *Hansard* at page 5372, I asked the President of the Treasury Board (Mr. Drury) this question:

> In view of the assurance the minister gave on January 8 to representatives of retired civil servants that the question of increasing their pensions would be studied by a committee with the hope that a report would be forthcoming in three or four weeks, can the hon. gentleman say whether such a report is yet ready?

The reply of the President of the Treasury Board was:

> Not yet, Mr. Speaker.

In the next brief exchange I was of course given the usual assurance that the matter is still under serious study. Another month has gone by and apparently the report of that committee is not yet available. The story of disappointments on the part of retired civil servants is a long one. Time and time again their hopes have been raised by announcements or statements of this kind. It is too bad that we have yet another one.

I have been informed by a good many retired civil servants, particularly by a number of those who met with the President of the Treasury Board, that it was their clear understanding on January 8 that something would be reported to them within three or four weeks. Two months have now gone by and nothing has been indicated.

We have now had it made known to us that there will be debate on Friday of this week on second reading of Bill C-178 which proposes to amend the Public Service Superannuation Act and three or four other corresponding acts. We, of course, have copies of that bill, first reading having been given to it Friday, March 7. But any hope that it might have contained pension increases is of course destroyed by the fact that they are not in that bill. This is very disappointing.

• (10:00 p.m.)

On another occasion, February 4 to be exact, I drew the attention of the President of the Treasury Board to the fact that recently in the United Kingdom, for the seventh time since the end of world war II, a pensions increase bill was brought in which increased the pensions of retired civil servants of that country. I have before me a schedule of those increases. This bill is to be effective on April 1, 1969. The schedule shows that when this new bill is in effect the increases in the pensions of retired civil servants will vary from 2 per cent of the total pension for those retired very recently up as high as 18 per cent for those retired back in 1955. I mention this just to make the point again that it can be done. It is not some pipe dream which some of us have; it is not some fanciful notion. It has been done in a good many other jurisdictions. Many of us in this house in all parties believe it can and ought to be done here.

I regret very much that after these two months there is still no forthright announcement as promised on January 8, but perhaps I should still live in hope and dare believe that on Friday of this week when the President of the Treasury Board moves the second reading of Bill C-178 he will make an announcement at that time concerning what will be done, and also when it will be done, to increase the pensions of these very deserving people, the retired federal civil servants of this country.

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I wish to compliment the hon. member upon his persistence in advocating this particular good cause. There is of course available to him a selection of many good causes, some more or less meritorious in comparison to this one. I should just like to assure him that this particular good cause remains under consideration.

PENSIONS—CONSIDERATION OF UNIVERSAL PRINCIPLE OF ESCALATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I enjoyed the admission of the minister who answered my last question that there are many good causes for which one might work. He has not been here very long but he has discovered already that with a Liberal government in power there are many things for which we have to fight.

It is a bit of a coincidence that these two questions of mine should both be the subject of the late show this evening. This one arises out of a question I asked on Thursday, February 27, as recorded in *Hansard* at pages 6006 and 6007. My question was addressed to the Minister of National Health and Welfare

(Mr. Munro) and these were the key sentences:

> Can the minister say what progress is being made by the review committee which is studying our welfare and pensions programs? Can he say whether attention is being given to the possibility of increasing the old age security pension in proportion to the increases in wages and salaries?

The reply of the Minister of National Health and Welfare was in these words:

> As I indicated, Mr. Speaker, all of the income maintenance programs and social welfare programs are being reviewed in this study. No firm conclusions have been arrived at, so it is impossible to say whether any conclusions will relate to an increase in old age security or to some other solution that may be adopted.

Of course, as an answer that ought to get the minister into the Senate where a certain other former member of this place has gone. I said a moment ago that I find it an interesting coincidence that I am asking these two questions on the late show this evening because this gives me the opportunity to make this point: whether we are talking about the pensions of retired civil servants, whether we are talking about the pensions of retired employees of the railways of this country or the pensions of retired employees of private industries, or whether we are talking about the old age security pension, I feel the most important issue that faces us is to build into all these pension programs automatic provisions for the pensions to increase after the point of retirement.

We know of course, that we have in the old age security program, as well as in the Canada Pension Plan, a kind of provision for increases, but these are tied to the cost of living and there is a 2 per cent ceiling on each year's increase. The fact of the matter is that in our society we have not only increases in the cost of living but increases in the standard of living. That is one of the virtues of our society; things do get better.

The way things are now organized, however, things get better only for those people who are still at work. I do not think it is a just or decent society which says to those who have retired, you must live the rest of your years on fixed incomes and you must see the value of that income go down; you must settle for fewer and fewer opportunities to share in those new things brought about in a progressive and growing society.

So I contend, Mr. Speaker, that we have not done enough by just putting a limited cost of living factor into old age security and the Canada Pension Plan, but that we should be building into all of our pension programs an automatic increase tied to the increase in wages and salaries; tied to the increase in our productive capacity; tied to our growing affluence.

I have tried to put this in another way in a notice of motion of mine on the order paper in which I suggest that all pensions should be recalculated each year. We do not ask people on the job to work for ten, 15 or 20 years without any increase in their income. It is a fact of life that they will get their increases. I say it is completely unfair to ask people who are retired not to expect an increase, not just to meet higher costs, but an increase in their living standards.

The point of my question is a plea to the government to include this in its review of our social legislation, and to accept it as important and basic to our program that people who are retired have a right to share in the greater affluence of our society, have a right to have their pensions recalculated upward each year. They have the right to expect that their pensions will keep pace not only with the increase in the cost of living but with the rise in wages and salaries across the years.

I hope, therefore, that we will get the assurance tonight that the government realizes the importance of this issue of keeping pensions in line with the progress that takes place in our society.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I think it is certainly true that more pressure is put upon the unprotected segments of our society; the pension income people or the people who do not have the power to control their wages or income. That pressure is put upon them by other segments of our society which have that control and power.

I should like to recommend to the hon. member who has posed this question that he address a part of his plea and his remarks to those groups which so staunchly support his party; those groups which have the power to demand what they think those segments deserve, regardless of the interest of those people who are unprotected and on fixed incomes.

Mr. Knowles (Winnipeg North Centre): They speak for them, don't worry.

Mr. Lang: It is, of course, the objective of this government to combat inflation and in this fashion protect the pensioner and the fixed income person against this diminution.

An hon. Member: Keep the wages down.

Mr. Lang: I heard an hon. member say that we should keep the wages down. That, of course, is part of the complicated proposition. I commend to him that his friends in the labour movement might well direct more of their power, which is considerable, to the demand for decreased prices from their employers instead of increased wages. In that fashion, he and his friends could help to protect those who are on fixed incomes and otherwise unprotected.

Mr. Knowles (Winnipeg North Centre): You might as well go to the Senate too.

• (10:10 p.m.)

[*Translation*]

ECONOMIC REGIONAL DEVELOPMENT—REQUEST FOR SHERBROOKE AREA TO BE CONSIDERED AS A SPECIAL AREA

Mr. Henry Latulippe (Compton): Mr. Speaker, on March 6, I asked the future Minister of Economic Regional Development the following question:

Could he tell the house whether his program intended to abolish regional disparities will be amended in such a way that the Sherbrooke area and some neighbouring areas will be considered as special areas?

Mr. Speaker, I should like to describe, in the few moment at my disposal, the economic situation that prevails in the area where I live.

This region of the province of Quebec, situated in the Eastern Townships, was once rather prosperous. It did not need an economic council nor something else to live, because the inhabitants could manage by themselves.

Mr. Speaker, I would like to speak this evening about three pilot towns in the area, namely Scotstown, Coaticook and Lac Mégantic.

Scotstown, for example, Mr. Speaker had some 4,000 inhabitants about six years ago. Today, the population of the same municipality has dropped to 2,000. At the beginning, the population was provided with schools, municipal services; a church which cost about $400,000 was even constructed. Today, as a result of the exodus of its taxpayers, the municipality has a huge debt due to the construction of the church, schools and municipal services.

I would like to know what the new Department of Regional Economic Expansion can do to help such a parish or town.

Let us consider now the town of Coaticook with a population of 8,000 two years ago and which has now dropped to some 7,000. The municipal authorities of Coaticook have incurred heavy expenditures. In fact, they have established numerous services: schools, playgrounds, etc. It is now saddled with a huge debt and its taxpayers are getting fewer. Those who remain must bear alone the burden of debts for schools, municipal services and church.

The city of Lac Mégantic, where I live, had in the past a population of over 9,000; it has only 7,000 now. It is in the same predicament. That city provided the people with all kinds of services a few years ago. Today, the population is decreasing and the town still owes large amounts on its schools, its church and its municipal services, including playgrounds and arenas. The social organization is very good in all respects, but people are now leaving, nevertheless.

Around such municipalities, we have rural parishes that were flourishing some years ago. The number of farmers has decreased by more than 70 per cent during the last ten years. The surrounding population, which helped such towns prosper is also today in very disquieting circumstances.

The population is emigrating in great numbers to the United States because we are close to the United States border and Americans have a great many jobs to offer. People are much attracted to the other side of the border. Salaries are higher and therefore our people are emigrating to the United States. Those who do not go there are going to Sherbrooke, to Montreal, to Quebec or to other cities. Those areas remain deserted, underprivileged in every respect. What is worse are the huge debts that those municipalities have accumulated and which small taxpayers who remained there are practically unable to pay.

Therefore, I would like to know whether we intend to tackle the problems of this area, for instance those of the town of Coaticook, which has been annexed to the Sherbrooke area. The town of Scotstown is annexed to Sherbrooke which however is not considered as a city faced with problems of regional disparities but rather as a fairly prosperous city. In spite of the fact that there is a great deal of unemployment and poverty in Sherbrooke, this area is not considered as a have-not area. In fact, a large part of my constituency has been attached to that area. However, all our municipalities—I only named three main towns in this constituency—are poverty

stricken, suffer from a lack of interest and tend to be abandoned.

There are a great many resources that could be developed, from a tourist point of view and all other points of view.

I would like to know what the new minister is going to do in this area. How does he intend to develop it or to help it, since it mainly lacks financial means. We have almost all the other means required. As for financial means, we do not have them any longer. Taxpayers who have remained there have been overtaxed and now nearly all houses are on sale.

In the town of Scotstown, for instance, even if properties worth about $20,000 are offered at $5,000, nobody wants to buy them. The same situation prevails in the three municipalities I just mentioned.

In Coaticook, for instance, an industry employing 250 people is closing down in June. That is not likely to boost the economy of that town.

Mr. Speaker, almost all the areas in the riding I represent are poverty-stricken. Those are abandoned areas, in urgent need of help. Assistance should not be given only to Prince Edward Island, New Brunswick or Newfoundland. Areas which once were prosperous are now in need of assistance. The situation is worse than in some areas of Newfoundland and other provinces which have become just about incapable of looking after themselves.

So, Mr. Speaker, I should like the minister to tell us if he can undertake immediately the research work necessary to analyse the causes of this decline and to provide the means of coping with it in the near future.

We have reached the point where the people have to move out of those towns and find jobs in the big cities of the United States. Houses are selling at ridiculous prices; business, industry and church revenues are getting lower and lower. From one year to the next, farmers who were successful in the past are getting deeply into debt, and their products must be sold at a loss. The businessman who operates a factory far from any large centre, such as in Lake Megantic for instance, must pay the same salaries as in Montréal, where industries pay high wages. Moreover, means of transportation are inadequate and very costly. Now it has become almost impossible for the industries of thoses regions to compete with the big industries in Montreal, Quebec or elsewhere.

Well then, Mr. Speaker, if we do not want those cities and those areas to disappear, the government should do something and find practical solutions in order to assist them. Every day the situation is deteriorating. Everywhere, at the level of the constituency, people are losing faith.

[*English*]

• (10:20 p.m.)

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): One can have a great deal of understanding and sympathy for the case outlined by the hon. member who has just spoken. Perhaps, Mr. Speaker, since I have only three minutes in which to reply, and in order that I can keep my remarks in perspective, I might refer to the question which the hon. member posed to the Minister of Forestry and Rural Development (Mr. Marchand) on March 6—I am quoting, now, from the *Hansard* of that date.

> Could he tell the house whether his program intended to abolish regional disparities will be amended in such a way that the Sherbrooke area and some neighbouring areas will be considered as special areas?

The hon. member has dealt tonight with the situation in the Sherbrooke area and other areas. As he knows, there is legislation before the house at the present time which among other things will, if passed by parliament, establish a new department of Regional Economic Expansion. The Prime Minister (Mr. Trudeau) has indicated to parliament and the country his concern that disparities in economic advantages in various regions of Canada should be reduced as far as reasonably possible in order that Canadians throughout the country might enjoy the advantages and amenities which are generally considered appropriate for Canadians in what might be described as the more affluent parts of the nation. When this legislation is passed, if indeed it is, we shall have set up a new department under a new minister, and parliament will have given it the opportunity to do the things which the Prime Minister and other members of the government have indicated should be done to equalize opportunities for Canadians wherever they may live.

To deal more specifically with the particular question raised by the hon. member, may I remind the house that the Minister of Forestry and Rural Development has indicated in this chamber and in other public statements that when the legislation now before

the house has been passed, and the new department has been established, he will then propose further legislation—and he has indicated this would be in the present session of parliament—delineating those areas which would be described, I think, under the legislation now before us, as special areas or special incentive areas. The basic purpose of these changes would be to increase the effectiveness of the incentives used to attract new industries in disadvantaged areas and to stimulate the expansion and modernization of existing industries in these areas.

Mr. Deputy Speaker: Order.

Mr. Honey: So, I can only ask the hon. member to wait until this legislation is approved.

Mr. Deputy Speaker: Order, please.

Motion agreed to, and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, March 12, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First report of the Standing Committee on Indian Affairs and Northern Development, in French and in English—Mr. Ian Watson (Laprairie).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

THE EXCHEQUER COURT ACT

AMENDMENT TO ABOLISH REFERENCE TO BRITISH ACTS

Mr. André Fortin (Lotbinière) moved for leave to introduce bill No. C-180, to amend the Exchequer Court Act.

Some hon. Members: Explain.

Mr. Fortin: Mr. Speaker, the purpose of this bill is to amend the present wording of the act which reads as follows:

The practice and procedure in suits, actions and matters in the Exchequer Court, shall, so far as they are applicable, and unless it is otherwise provided for by this Act, or by general rules made in pursuance of this Act, be regulated by the practice and procedure in similar suits, actions and matters in Her Majesty's High Court of Justice in England on the 1st day of January, 1928.

Therefore, Mr. Speaker, the bill I am now introducing, and which I ask the house to pass, has for sole object to amend the act so that procedural rules followed in the Exchequer Court are enacted by Canadians and for Canadians, and any reference to British acts is removed.

Motion agreed to, bill read the first time and ordered to be printed.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

ATOMIC ENERGY OF CANADA—LINGUISTIC QUALIFICATIONS

Question No. 984—**Mr. Fortin:**

1. Among the 120 persons earning $17,000 per year or more at Atomic Energy of Canada Limited, are there any whose mother tongue is French and, if not, what does the Company intend to do to adjust the situation?

2. What is the policy of the A.E.C.L. concerning (a) bilingualism (b) employment of French Canadians?

3. What is the total amount of the A.E.C.L.'s capital assets (a) in Ontario (b) in Quebec?

4. How many employees has the A.E.C.L. (a) in Ontario (b) in Quebec?

5. Does the A.E.C.L. propose to establish research laboratories in Quebec and, if not, for what reason?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: 1. None. The Company will continue to seek to employ first class Canadian scientists and engineers whose mother tongue is French.

2. (a) and (b)—The same as that of the federal government.

3. As at 30 November, 1968—(a) $274,117,-111; (b) $30,616,359.

4. (a) 4,038; (b) nine permanent; 50 provided under contract.

5. No. No prospect of availability of funds to establish any new research laboratory.

THE OFFICE OF THE PRIME MINISTER—REGIONAL DESKS

Question No. 1,008—**Mr. Lewis:**

1. (a) How many regional desks attached to the Prime Minister's office have been established (b) what is the total number of regional desks the government plans to establish?

2. In which communities will each of the regional desks be located?

3. What is the geographical area of responsibility of each of the regional desks?

Questions

4. (a) How many personnel will each regional desk employ (b) what classifications and salary levels will be assigned to the personnel (c) what are the names, addresses and classifications of personnel now appointed?

5. What terms of reference have been assigned to the regional desks (i.e. what are their duties, responsibilities and to whom do they report)?

6. By what means are regional desk personnel selected (a) by the Public Service Commission (b) by the Prime Minister's Special Assistant (Regional Advisor) in charge of regional desks (c) other and please specify?

7. What access will individual Members of Parliament have to the facilities of the regional desks?

8. Will the problems of citizens which come to the attention of the regional desks be referred to (a) the Prime Minister (b) the department concerned (c) the Member of Parliament for the area (d) other and please specify?

9. Will the regional desks be located (a) in existing federal buildings (b) in rented accommodation (c) if (b), what is the estimated total annual cost for accommodation?

10 (a) How many volunteer advisers has the Prime Minister appointed and what are their names (b) what, if any, is their relationship to the regional desks (c) do the advisers report directly to the Prime Minister, or to a Committee or Committees of the Cabinet, or to a member or members of the Privy Council staff (d) how and from what source are the expenses of the advisers being or to be paid?

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): 1. (a) Three. (b) No final decision has been reached, but the total number of regional desks established will probably not exceed four.

2. The regional desks are located in Ottawa.

3. Of the three regional desks now established, one is responsible for the geographic area represented by the four Atlantic provinces, another is responsible for the four western provinces, the other is responsible for the geographic area represented by Quebec.

4. (a) One regional desk officer with supporting clerical staff; (b) The classification and salary level assigned to each regional desk officer is a matter of negotiation upon appointment. The salary levels of the three regional desk officers already appointed are $15,000, $12,000 and $9,500 respectively; (c) Jean Haché, 1435 Morriset Street, Ottawa, Atlantic Desk Officer; David Thomson, 576 MacLaren Street, Ottawa, Western Desk Officer; Jean Prieur, 56 Les Erables, Laval-sur-le-Lac, Quebec, Quebec Desk Officer. Mr. Haché is classified as a Special Assistant; Mr. Thomson is classified as a Regional Officer; Mr. Prieur is classified as a Regional Officer.

5. The duties of the Regional Desk Officers are to improve the liaison between the Prime Minister and those voluntary organizations which concern themselves with issues and problems common to many Canadians; to act as an additional source of information and advice to the Prime Minister on matters upon which he has requested such information and advice; to be of assistance to Members of Parliament in their dealings with the Prime Minister and his office. These Desk Officers report to the Regional Adviser to the Prime Minister.

[Mr. Lewis.]

6. Recommendations for appointment of regional desk personnel are made to the Prime Minister by his Principal Secretary after consultation with the Regional Adviser.

7. See the answer to Part 5 above.

8. Problems of citizens which come to the attention of the regional desks will be referred to the Prime Minister, a Member of Parliament for the area, a Governmental Department, or other appropriate Government agency as seems most appropriate, having regard to the nature of the problem.

9. (a) Yes; (b) and (c) Not applicable.

10. (a) None. Many interested citizens do, however, write to the Prime Minister from time to time to suggest new policies or to comment on particular Government initiatives. The comments and suggestions of these persons are analyzed by the regional desk officers; (b), (c) and (d) Not applicable.

SEXUAL OFFENDERS IN PENITENTIARIES

Question No. 1,055—**Mr. Orlikow:**

1. What is the total number of persons in Canadian Penitentiaries that have been convicted and sentenced under the Dangerous Sexual Offenders Sections of the Criminal Code, and (a) how many of those so sentenced have received paroles (b) how many have violated their paroles (c) how many have been re-convicted while on parole and was the offence the same?

2. What is the average stay before parole is considered?

3. What programs are made available to these persons while they are incarcerated?

4. Has the medical profession been consulted as to treatment being given, and (a) how many have received such treatment (b) how many failed to make progress (c) have any persons been denied such treatment if such treatment was recommended?

5. Has the government taken any steps in this direction?

6. Have the inmates a choice in case they wish to seek out such treatment and, if so, what provisions have been made?

Hon. G. J. McIlraith (Solicitor General): 1. 73 persons have been convicted and sentenced under the Dangerous Sexual Offenders section of the Criminal Code which was passed

in 1953: (a) 20; (b) 10; (c) 1, Offence was not the same.

2. Cases are considered as soon as possible after admission, in any event within six months thereof, and the parole review date is fixed. Average stay before release to parole has been 8.3 years (the range being from three years eight months to 15 years nine months).

3. A diagnosis of each case is made and includes an evaluation of the inmate's potential for treatment and training. An individualized program to meet his social needs is determined by the Inmate Training Board following reports from members of the professional staff. The findings and recommendation of the Board are discussed with the inmate, who is free to express his views. This program may provide for individual and group therapy in addition to the regular training activities which includes, educational, vocational, religious, recreational, social and trades training.

4. Yes. (a) 73 have received the available treatment; (b) seven are parole violators: (c) No.

5. Every inmate is free to consult with the psychiatrist. The psychiatrist interviews any inmate who wants to see him or for whom treatment has been recommended. He will attempt to assess his personality, make a diagnosis and provide appropriate therapy and make other recommendations.

6. The treating psychiatrist decides upon the nature of the treatment which is felt best suited to meet the inmate's requirements, and if better facilities exist in neighboring outside psychiatric clinics or mental hospitals, the inmate is transferred to such institutions and will return to the Penitentiary when improved. If the Penitentiary Psychiatrist feels that he should have assistance in making important psychiatric decisions, he is free to call any psychiatric consultant he may wish to have.

For the past two years at the Penitentiary in New Westminster, research is being conducted by an Assistant Professor in Psychiatry at the University of British Columbia. The purpose of the research is also to recommend suggestions as to better ways and methods of treatment.

GOVERNMENT STANDARDS ON EXPORTS

Question No. 1,110—**Mr. Beaudoin:**

What government standards permit or prohibit the exporting by individuals of articles of their own manufacture?

Hon. H. A. Olson (Minister of Agriculture): In so far as the Department of Agriculture is concerned: The provisions of the Canada Agricultural Products Standards Act, the Canada Meat Inspection Act, the Destructive Insect and Pest Act and the Canada Grain Act govern standards for agricultural products and processed agricultural products in interprovincial and export trade.

PROSECUTIONS OF FRAUDULENT INSURANCE CLAIMS

Question No. 1,160—**Mr. Schreyer:**

1. How many cases of fraudulent claims did the Unemployment Insurance Commission prosecute in 1967?

2. How many cases of fraudulent claims are claimed to exist each year, in Canada, in the radio campaign financed by the Unemployment Insurance Commission, and directed at curbing Unemployment Insurance abuse (a) in percentage of total claims (b) in gross figures?

3. How does the Unemployment Insurance Commission substantiate the figures presented in these broadcasts?

4. Is there a discrepancy between the number of cases of fraudulent claims prosecuted, and the number of cases of fraudulent claims said to exist, on the radio campaign?

5. If so, for what reason?

6. What avenues of appeal are open to a claimant unjustly accused of fraud in his Unemployment Insurance claim?

7. Has any department or agency of the Government of Canada initiated a similar radio or other form of publicity campaign to direct attention to fraudulent selling and advertising practices?

8. If so, how many such cases were prosecuted and with what result?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Unemployment Insurance Commission and several departments as follows: 1. Statistics of prosecutions entered in the criminal courts are maintained on a fiscal year basis. These were as follows for the 1967-1968 fiscal year:

Prosecutions	
—pending 1 April, 1967	553
—commenced 1967/68	2642
	3015
Prosecutions	
—dealt with 1967/68	2331
—pending 31 March, 1968	684

2. As stated in the radio campaign financed by the radio and TV stations of Canada as a public service at their expense, close to 20

per cent of claims, according to a consultants survey, have some element of suspected fraud which should be investigated. It would be impossible to establish the total number of outright cases of fraud unless every claim was investigated.

In this circumstance, no gross or percentage figures for the actual, rather than the projected, number of cases of outright fraud were given.

3. The figures related to possible abuse and overpayment of benefits are estimated based on a pilot study made by a firm of management consultants on behalf of the Commission.

4. The Unemployment Insurance Commission does not prosecute every case where it has been found that a claimant has made a fraudulent claim. For this reason there has been and always will be a discrepancy between the number of cases of fraudulent claims prosecuted and the number of cases of fraudulent claims that might exist or are uncovered. Those uncovered and not prosecuted in the criminal courts are disposed of by administrative sanction permitted by the Unemployment Insurance Act. The estimates in the radio campaign were based on a projection assuming the investigations of all claims.

5. See reply to Question 4 above.

6. A defendant, if prosecuted for unemployment insurance fraud, has the same rights to defend his case as any person who is tried in the criminal courts established under the Criminal Code. If a conviction is entered by the Court, the defendant has a right of appeal to the next higher Court within thirty days from the date the conviction or order of the Court was made, or the sentence imposed, as provided in the Criminal Code of Canada.

A claimant purported to have made false statements but not prosecuted, may at any time within thirty days from the day on which the decision of an insurance officer is communicated to him, or within such further time as the Commission may in any particular case for special reasons allow, appeal to the board of referees in the manner prescribed by Regulations of the Commission. In addition, an appeal lies to the Umpire in the manner prescribed by Regulations of the Commission from any decision of a board of referees at the instance of an association of workers of which the claimant is a member, in any case; or at the instance of the claimant, without leave in any case in which the decision of the board of references is not unanimous, and with the leave of the chairman of the board of referees in any other case.

7. No.

8. Not applicable.

[Mr. Forest.]

QUEBEC—WATER POLLUTION EXPENDITURES

Question No. 1,257—**Mr. Beaudoin:**

1. What amount has been spent by the Department of Energy, Mines and Resources to fight pollution in waters in the Province of Quebec?

2. Does the federal constituency of Richmond benefit by these expenditures?

3. If so, where were such monies spent and how much was spent in each location in the federal constituency of Richmond?

4. What are the future plans of the Department of Energy, Mines and Resources for the federal constituency of Richmond?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): 1. Water pollution abatement is primarily a provincial responsibility. The federal government is directly involved where pollution affects international waters, fisheries or wildlife; and it also undertakes essential research and coordination of efforts towards water pollution abatement. The Canada Centre for Inland Waters, established by the Department of Energy, Mines and Resources, will be a focal point for water pollution abatement research; and it represents a major federal government investment largely for this purpose. The Department of Energy, Mines and Resources also operates a water quality sampling station on the St. Lawrence River at Levis, Quebec, at a cost of about $1,000 per year, including analytical work.

2. The federal constituency of Richmond would not appear to benefit directly from this expenditure.

3. Not applicable.

4. None.

PHASING OUT OF ATLANTIC DEVELOPMENT BOARD

Question No. 1,287—**Mr. Coates:**

1. Is it the intention of the federal government to phase out the operations of the Atlantic Development Board?

2. How many vacancies presently exist on this Board and if the government does not intend to phase out the operations, when will a new Chairman and other Board Members be appointed?

3. How many requests for assistance are presently before the Board on which final decisions by the Board have not as yet been reached?

4. Of the proposals presently before the Board on which final decisions have not been rendered, what future action will be taken?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. Legislation on this matter is before Parliament.

2. Four.

3. 15.

4. The Board will meet on March 17.

JET AIRCRAFT OPERATIONS AT INTERNATIONAL AIRPORTS

Question No. 1,330—**Mr. Harding:**

1. How many takeoffs and landings of jet aircraft were there at Toronto International Airport, Montreal International Airport and Vancouver International Airport in 1968?

2. When is the joint study being done on jet airplane pollution by the federal and Ontario departments of health at Toronto International Airport expected to be available?

3. Is the government considering introducing legislation controlling the amount of pollution an aircraft can legally emit?

4. Is the government considering legislation on the type of jet fuel that can be used in order to combat jet pollution?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the departments of Transport and of National Health and Welfare as follows: 1. Toronto International Airport, 65,225; Montreal International Airport, 58,722; Vancouver International Airport, 23,583.

2. The joint study is expected to be complete in the autumn of 1969.

3. Yes. Aircraft pollution is being included as part of overall clean air legislation at present under consideration by the Government. Controls, if introduced, may take the form of emission limits.

4. Yes. Fuel type restrictions may be used in conjunction with or as an alternative to emission limits.

STABILIZATION PAYMENTS TO POTATO PRODUCERS

Question No. 1,346—**Mr. Corbin:**

1. During the fiscal year 1967-1968, how many potato producers in (a) Canada (b) New Brunswick (c) Carleton, Victoria and Madawaska Counties, N.B. (d) Prince Edward Island, received payments under the Agricultural Stabilization Act and under what provincial and federal programmes?

2. What was the amount of money paid in each of the above cases?

3. How many claims have been rejected and for what amounts?

4. How many claims have yet to be settled and for what amounts?

Hon. H. A. Olson (Minister of Agriculture): 1. Not available since the potato assistance programs in the fiscal year 1967-68 on the 1966 potato crop were administered and controlled entirely by the provincial governments. The federal government provided inspection services and reimbursed the provinces for its share of the cost of the programs.

2. Federal contributions were as follows:

	Canada	N.B.	P.E.I.
Starch Diversion program	$ 412,063	$388,627	Nil
Live Stock Feeding program	$1,003,374	$114,055	$678,104
Provincial Disposal program	$1,050,714	$902,407	Nil

3. Eligibility for payment was established by provincial authorities and no information regarding claims or rejected claims was provided to the federal government.

4. See answer to No. 3.

IMPORTS OF CHAROLAIS CATTLE

Question No. 1,429—**Mr. Roberts:**

1. How many applications for the importation of Charolais cattle into Canada were received in 1968?

2. How many permits for the importation of Charolais cattle into Canada were granted in 1968?

3. How many applications for group importation of Charolais cattle were received during 1968?

4. What are the names and addresses of those receiving group import permits for Charolais cattle during 1968 and, in each case, what size group was the permit for?

Hon. H. A. Olson (Minister of Agriculture): 1. Applications are not dealt with on basis of breed and import permits do not specify the breed of cattle to be imported. 316 applications were received in 1968 to import cattle from France and Switzerland.

2. 127 permits were issued.

3. 242 applications were for permits for more than one animal.

4. 37 of the 127 permits issued were for more than one animal. It is not the practice

of the Department to divulge the names of livestock owners during the period the animals are being dealt with through quarantine or other controls under the provisions of the Animal Contagious Diseases Act.

PSYCHIATRIC TREATMENT IN PENITENTIARIES

Question No. 1,435—**Mr. Howard (Skeena):**

Have any plans been developed and initiated for the purpose of providing sufficient professional personnel to meet the psychiatric treatment requirements of inmates in penitentiaries and, if so, what are the details of such plans?

Hon. G. J. McIlraith (Solicitor General): The Canadian Penitentiary Service is authorized to employ 13 psychiatrists and 84 psychiatric nurses on a full-time basis. There are on strength at present, five psychiatrists and 71 psychiatric nurses employed on a full-time basis. In order to compensate for a shortage of eight full-time psychiatrists, the Penitentiary Service has obtained the services of five psychiatrists on a part-time basis and 15 psychiatrists on a contract basis. Because of the extreme shortage of male psychiatric nurses, the Service has been unable to enlist these specialists in sufficient number to meet its requirements.

The present plan consists of recruiting the services of any well-qualified psychiatrist who is available and prepared to provide professional service in a penal environment. In addition, the Service provides within its institutions, to medical students in psychiatry, summer employment in this specialty in the hope of encouraging such students to specialize in the field.

The Service is also in the process of training six selected custodial officers to become psychiatric nurses.

The long range plan provides for the training of psychiatrists in Forensic Psychiatry in the Regional Medical Centres which are being developed.

DAY CARE PAYMENTS UNDER ASSISTANCE PLAN

Question No. 1,470—**Mrs. MacInnis:**

1. What is the total amount of Canada Assistance Plan payments made to the individual provinces since the inception of the Plan?

2. What is the total amount of such payments made to each province in respect of claims for financing Day Care Centres throughout the provinces?

[Mr. Olson.]

Hon. John C. Munro (Minister of National Health and Welfare): 1. Payments as follows: total federal share of payments made to provinces under the Canada assistance plan since inception of the plan to January 31, 1969

(Figures to nearest $1,000)

Province	Amount
	$
Newfoundland	32,765,000
Prince Edward Island	3,472,000
Nova Scotia	19,312,000
New Brunswick	13,608,000
Ontario	190,762,000
*Quebec	—
Manitoba	26,656,000
Saskatchewan	25,760,000
Alberta	48,388,000
British Columbia	58,992,000
TOTAL	419,715,000

*Note: Quebec receives its compensation in the form of tax abatements and adjustment payments under the Established Programs (Interim Arrangements) Act.

2. Ontario and Alberta are the only provinces currently providing direct subsidies for the operation of day care centres. Total payments amounted to: Ontario, $103,766; Alberta, $26,490.

The Province of British Columbia identified payments made to recipients of day care services amounting to $18,315. Other provinces received assistance payments for the purchase of day care services but these are not identified separately in claims.

R.C.M.P. SALARIES AND PENSIONS

Question No. 1,472—**Mr. Robinson:**

1. What is the basic salary paid an RCMP constable?

2. What increments are available and on what basis are they paid?

3. How many years service are required for RCMP to be pensionable?

4. What is the minimum pension payable and what is the maximum payable at the present time for RCMP constables?

Hon. G. J. McIlraith (Solicitor General): 1. $5,665 per annum.

2. Six annual increments to a maximum of $8,180 per annum depending upon satisfactory service.

3. R.C.M. Police Pension Continuation Act: Officers, minimum without penalty reduction, 35 years; Other ranks, minimum (Applies to

only 404 members still under this Act as of February 17, 1969), 20 years. R.C.M. Police Superannuation Act: Minimum without penalty reduction, Officers, 35 years; Other ranks, 25 years.

4. R.C.M. Police Pension Continuation Act: Minimum, $3,129.97 per annum; Maximum, $5,409.51 per annum. R.C.M. Police Superannuation Act: Minimum, with penalty reduction, 20 years, $1,884.57 per annum; without penalty reduction, 25 years, $3,187.62 per annum; Maximum, 35 years, $4,478.99 per annum.

WYNYARD, SASK., PROPOSED EXPENDITURE

Question No. 1,477—**Mr. Burton:**

1. What is the purpose of the proposed expenditure of $280,000 in Wynyard as shown on page 318 of the Estimates for 1969-70?

2. What departments will make use of the facilities to be provided through this expenditure?

3. What plans have been prepared for any construction contemplated by this expenditure?

4. Has property been purchased in Wynyard in connection with this proposed expenditure and, if so, what is the location of the property?

5. What amount of money has already been spent on this project and for what purpose was the money spent?

Hon. Arthur Laing (Minister of Public Works): 1. To construct a new federal building.

2. Post Office, Farm Credit Corporation, Agriculture.

3. Preliminary plans have been completed.

4. Yes. Directly adjacent to existing federal building.

5. $10,436. to acquire the property.

EXTERNAL AFFAIRS PRESS RELEASES

Question No. 1,488—**Mr. Howard (Skeena):**

1. Does the Department of External Affairs issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes. 68.

2. (a) None; (b) None; (c) $860; (d) $290; (e) $1,319.20.

3. (a) Number 7 Bond; (b) 60,700 sheets; cost approximately $122.

4. 193 hours.

*CANADIAN NATIONAL—FLASHING RED LIGHTS ON DIESELS

Question No. 1,501—**Mr. Diefenbaker:**

Will the Minister of Transport bring to the attention of the Canadian National Railways the suggestion that in the interest of safety for users of the highways which cross railway tracks that diesel locomotives shall have thereon flashing red lights similar to those now used on ambulances, police vehicles and the like?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the answer to this question is yes, I would be glad to bring the suggestion of the right hon. gentleman to the attention of Canadian National Railways. However, the right hon. gentleman might be interested to know that the suggestion embodied in his question was acted upon some time ago, and at the request of the Canadian Transport Commission and Canadian National Railways, the National Research Council developed a rotating, flashing white light for test installation on diesel locomotives. Twelve of these units are installed on locomotives operating over trackage between Montreal, Toronto and Windsor. It is proposed to continue these tests for approximately one year to determine reliability and effectiveness.

FEED GRAIN IN STORAGE

Question No. 1,508—**Mr. Dumont:**

1. How many bushels of feed grain remained in storage at the end of the 1968 navigation season (a) at Montreal (b) at Trois-Rivières (c) at Quebec City?

2. What quantities at each of these locations were used during the winter months prior to the opening of the navigation season?

Hon. H. A. Olson (Minister of Agriculture): 1. Stocks of feed grains in store as at December 31, 1968 were: (a) Montreal, 8,949,000 bushels; (b) Trois Rivières, 2,699,000 bushels; (c) Quebec City, 6,009,000 bushels. In addition to the above, 2,210,000 bushels of feed grains were stored in winter storage vessels at the St. Lawrence ports.

2. During the period November 30, 1968 to April 17, 1969, a total of 17,343,000 bushels of

feed grains were delivered from the St. Lawrence ports. It is not in the public interest to advise the breakdown of deliveries by individual elevators.

STATUS OF GREAT SLAVE LAKE AREA

Question No. 1,518—**Mr. Yewchuk:**

Will the Great Slave Lake area, now or in the foreseeable future, qualify as a designated area?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): Not now. New legislation on the area development program is being prepared.

*ARMED FORCES—USE OF STARS TO DESIGNATE RANK

Question No. 1,538—**Mr. Diefenbaker:**

1. Are stars being used to designate the rank of officers of the Armed Forces?

2 How are ranks designated by stars?

3. Under what authority has this star system come into effect?

Hon. Léo Cadieux (Minister of National Defence): The answer to parts 1 and 3 is as follows:

Yes, from the time Canada established her own navy and her own army stars have been and are being worn by officers of the sea and land elements of the Canadian forces as rank designation. This was the direct result of adopting British dress.

The answer to part 2 is as follows:

Officers of the rank of rear admiral and above in the sea element and officer cadets to generals in the land element wear stars of various forms. Rear admirals and above wear an eight point star in silver bullion embroidery—three for an admiral, two for a vice admiral and one for a rear admiral below the crown and crossed sword and baton.

Mr. Baldwin: What does the Postmaster General get?

Mr. Hees: He has NATO stars.

Mr. Cadieux (Labelle): I am trying to answer the questions.

Mr. Hees: We are trying to help you. You were not doing too well.

Mr. Cadieux (Labelle): The Star of the Order of the Bath is worn in most instances by officers of the land element as follows:

General: One star below the crown and above the crossed sword and baton.

[Mr. Olson.]

Major-General: One star above the crossed sword and baton.

Brigadier-General: Three stars below the crown.

Colonel: Two stars below the crown.

Lieutenant-Colonel: One star below the crown.

Captain: Three stars.

Lieutenant: Two stars.

Second-Lieutenant and Officer Cadet: One star.

Depending on regimental affiliation, stars may represent one of the other three senior orders of knighthood—i.e. the Garter, Thistle or St. Patrick. An example would be the Garter Star, which is worn by the British Coldstream, Grenadier and Welsh Guards and their Canadian counterparts, the Governor General's Foot Guards and Canadian Grenadier Guards.

Mr. Diefenbaker: What other constellations have you?

OTTAWA—SPACE IN CAMPEAU QUEEN-SPARKS BUILDING

Question No. 1,548—**Mr. Schreyer:**

1. Have any negotiations been entered into between the Department of Public Works and Campeau Construction for space in the building being erected between Queen and Sparks Street in Ottawa?

2. Have any other government departments or agencies approached the Department of Public Works with a view to obtaining space in the said building?

3. Is the government committed in any way to take space in this building and, if so, when was first contact made between Campeau Construction and the government and when was the commitment finalized?

4. If there is an arrangement, how many square feet of space will be occupied, at what rent and which departments will occupy it?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. No.

3. No.

4. Not applicable.

BRITISH COLUMBIA PROGRAMS UNDER ASSISTANCE PLAN

Question No. 1,557—**Mrs. MacInnis:**

1. For what programmes has the government of British Columbia applied under the Canada Assistance Plan since its inception?

2. What amounts of money have been paid to the British Columbia Government in respect of each of these programmes?

3. What were the financial claims submitted by the Government of British Columbia in respect of each of these programmes?

Hon. John C. Munro (Minister of National Health and Welfare): Federal share of payments made to and claims submitted by the province of British Columbia under the Canada Assistance Plan April 1, 1966 to February 28, 1969 (figures to nearest $1,000)

(1)	(2) Amount Paid	(3) Amount Claimed
Program	(000's)	(000's)
Social Allowances	$43,165	$43,209
Supplementary Social Allowances	2,985	2,985
Child Welfare	8,940	8,940
Health Care	6,552	7,183
Welfare Services	844	844
Total	$62,486	$63,161

CANADIAN FORCES PROMOTION RULES

Question No. 1,558—**Mr. Robinson:**

What are the procedures and/or rules and/or criteria for the promotion of officers in the Canadian Forces from the rank of Major to Lieutenant-Colonel and from Lieutenant-Colonel to Colonel and Colonel to Brigadier-General?

Hon. Léo Cadieux (Minister of National Defence): The promotion of an officer is governed by the following conditions: (1) that there is an appropriate vacancy in the establishment; (2) that he is recommended by the appropriate authority; and (3) that he meets promotion standards as prescribed by the Chief of Defence Staff.

Promotion to Lieutenant Colonel, Colonel and Brigadier General is by selection, based on recognition of those officers who are best qualified for service in higher rank. There are many candidates of high calibre competing for comparatively few positions and only those possessing a very high order of effectiveness are promoted. Promotion Boards are held annually to examine every relevant factor in an attempt to evaluate a candidate's fitness for promotion in comparison with all other candidates. Promotion Boards are composed of senior officers whose qualifications and experience provide a complete cross-section of appropriate background and specialist knowledge of the officers being considered. Board members are at least one rank higher than the rank for which selections are being considered, and the Chairman is two ranks higher.

"HMCS NADEN"—CIVILIAN TEACHERS

Question No. 1,559—**Mr. Anderson:**

Is it the intention of the Department of National Defence to continue employing civilian teachers at *HMCS Naden* for the year 1969-70 and, if any are to be released (a) what are their names and what are their teaching positions (b) what steps have been taken to find these people alternate employment within the Public Service?

Hon. Léo Cadieux (Minister of National Defence): After reviewing the rationale behind the Junior Matriculation Course, which is of two years' duration, the Canadian Forces decided to phase out this program at the end of the 1968-69 academic year with only the first year graduates continuing in 1969-70 to complete the course. As a result five civilian teachers will continue to be employed in the Fleet School, Canadian Forces Base Esquimalt, until July 1969; four until July 1970 and one beyond July 1970. (a) Mr. Bernard S. Lake, Mathematics and Physics Instructor is being released in July 1969, (b) Not applicable, as the Department of Education, Province of British Columbia, is their legal employer.

PUBLICATION OF DILLON REPORT

Question No. 1,568—**Mr. Anderson:**

1. When will the Dillon Report, concerning retail outlets on Canadian Armed Forces Bases be made public?

2. Is this report classified at the present time and, if so, for what reasons?

Hon. Léo Cadieux (Minister of National Defence): 1. and 2. The Non-Public Fund Study Team (Dillon) Report was a study carried out by a group of serving officers of the Canadian Forces, with a view to recommending a common system of non-public fund operations in the Canadian Forces subsequent to unification. It is not intended to make this study public as it is considered to be an internal document which was prepared to assist the Minister of National Defence in arriving at a decision concerning non-public fund activities.

P.E.I.—DEVELOPMENT BOARD EXPENDITURES

Question No. 1,578—**Mr. MacLean:**

1. What amount was spent by the federal Government, through the Atlantic Development Board, in the Province of Prince Edward Island for each of the fiscal years from 1964-65 to 1968-69 inclusive?

2. What is the amount, if any, to be spent by the federal Government through the Atlantic Development Board in the Province of Prince Edward Island in the fiscal year 1969-70?

Questions

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. 1964-65, $86,770; 1965-66, $1,399,700; 1966-67, $1,013,099; 1967-68, $2,437,821; 1968-69, $3,090,000 (estimated).

2. The estimates of the Department of Regional Economic Expansion include provision for expenditures of approximately $25 millions.

PRESIDENT OF ELDORADO NUCLEAR COMPANY

Question No. 1,582—**Mr. Dumont:**

1. Who is the President of the Eldorado Nuclear Company Limited?

2. What are the names of the directors?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows: 1. W. M. Gilchrist.

2. Marcel Bélanger, W. J. Bennett, Dr. Roger A. Blais, W. M. Gilchrist, Dr. W. F. James, W. S. Kirkpatrick, Gordon Lawson.

*USE OF ARMOURIES BY LIONS TRACK CLUB OF REGINA

Question No. 1,607—**Mr. Diefenbaker:**

1. Has the Lions Track Club of Regina, whose objectives are to assist in the development, improvement and promotion of track and field in the Province of Saskatchewan, had during the past the privilege of using the Regina Armouries for practice sessions four days a week during the winter season?

2. Was a request received prior to the beginning of the 1968-69 season for a 10′ × 10′ storage space for track equipment in the armouries?

3. Was this request granted and, if not, by whom and for what reasons was it refused?

4. Is there a large storage room in the north end of the building, normally containing chairs and tables, which, if the contents were re-arranged would be suitable for the Track Club purposes without interfering with the operations of the Armouries?

5. Will the Minister of National Defence give immediate sympathetic consideration to making available the space referred to in Part 4 to the Lions Track Club so that its estimable voluntary public service can be continued in an effective manner?

Hon. Léo Cadieux (Minister of National Defence): The answer to part 1 of the question is as follows: Both the Lions Track Club and the Canadian Legion Track Club were granted permission by the officer in charge of the Regina armoury to use the armoury from Monday to Thursday each week from 5 p.m. to 6.30 p.m. throughout the period from November 1, 1968 to April 30, 1969, subject to the armoury being free from other priority commitments.

The answer to part 2 is, yes.

The answer to part 3 is as follows: No, this request was refused initially by the officer in charge of the armoury because storage space could not be made available without prejudice to its use by militia units, cadet squadrons or regular force elements located in the armoury. Subsequently, this matter was reconsidered, and the senior staff officer of the Saskatchewan district personally visited the armoury to assess the situation. He confirmed the findings of the officer in charge and recommended that the request be refused. His recommendation was concurred in by prairie region headquarters and by Canadian forces headquarters.

The answer to the fourth part is, no. A storage room 21 feet by 23 feet, disrupted by structural support columns and double entrance doors which open inwards, does exist but it is filled with government stores and its contents cannot be rearranged without interfering with the operation of the armouries.

The answer to the fifth part is that this matter has had sympathetic consideration and it is regretted the decision to refuse storage space must stand.

SECURITY SERVICE FOR FOREIGN EMBASSIES

Question No. 1,613—**Mr. Robinson:**

What is the reason for the cost of providing police and/or security service for embassies and consulates of foreign countries in 1967 and 1968 when there was no cost whatsoever before that date?

Hon. Mitchell Sharp (Secretary of State for External Affairs): From 1960 through 1966 the protection of embassies and consulates was accomplished by the normal vigilance of local police forces. Only in 1967 were requests received for a form of protection more intensive than local police forces could provide.

*TESTS OF THERMAL RADAR BEAM

Question No. 1,619—**Mr. McGrath:**

Will the new thermal radar beam, developed by the National Research Council as a possible solution to the hazard of birds on airport runways which is to be tested at Uplands, Ontario this Spring also be tested by the Defence Research Board or other defence agencies as a potential weapon and, if so, has information about it been passed on to the United States authorities?

Hon. Léo Cadieux (Minister of National Defence): The answer to this question is, no.

Mr. Nielsen: You are the star today.

PRICES AND INCOME BOARD

Question No. 1,668—**Mr. Fortin:**

1. Has a Prices and Income Board been established and, if so (a) when was it established (b) what are the terms of reference of the Board (c) who are the members of the Board (d) what are their salaries?

2. If such a Board has not yet been established, is it the government's intention to do so and, if so, on what date?

3. Does the government intend to refer the matter of price, income and employment stability to a Senate committee and, if so, when?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. The Price and Incomes Commission, proposed in the White Paper on Policies for Price Stability which was tabled in Parliament on December 20, has not yet been established.

2. As indicated in the House of Commons on February 27, in answer to a question by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), it is hoped that the Commission can be established this month.

3. The White Paper proposed a Joint Committee of the Senate and the House of Commons to receive the reports of the Commission and review them. The Government intends to move for the creation of the Parliamentary Committee once the Commission has been established and has begun its work.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MARITIMES—ECONOMIC STUDIES BY FEDERAL GOVERNMENT.

Question No. 709—**Mr. Coates:**

1. How many studies have been carried out by the federal government into economic conditions in the Maritime Provinces since Confederation?

2. How many studies have been carried out by the federal government in co-operation with one or all of the Maritime Provinces into economic conditions since Confederation?

3. In reply to parts 1 and 2, what were the names, dates and objectives of each of the studies?

Return tabled.

NUMBER OF BILINGUAL PENITENTIARY GUARDS

Question No. 1,199—**Mr. Caouette:**

1. What was the number of guards employed by the Department of Justice in 1963, 1964, 1965, 1966, 1967 and 1968 in each of the penitentiaries in Canada?

2. Of this number and for each of the penitentiaries in Canada, how many (a) whose mother tongue is English (i) speak French (ii) speak English (iii) are bilingual (b) whose mother tongue is French (i) speak English (ii) speak French (iii) are bilingual?

Return tabled.

NUMBER OF TRADESMEN LEAVING ARMED FORCES

Question No. 1,500—**Mr. Harkness:**

How many tradesmen, by trade groups, have left the Armed Forces in each of the months from August, 1968 to January, 1969 inclusive?

Return tabled.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, notices of motions Nos. 55, 56 and 89 for production of papers are acceptable to the government.

[*English*]

LEASE WITH CAMPEAU CONSTRUCTION, OTTAWA

Motion No. 55—**Mr. Coates:**

That an Order of the House do issue for a copy of the lease entered into by the federal government for the Department of Trade and Commerce with Campeau Construction Company, 2932 Base Line Road, Ottawa, on September 12, 1967.

Motion agreed to.

LEASE FOR SPACE IN CONGILL BUILDING, OTTAWA

Motion No. 56—**Mr. Coates:**

That an Order of the House do issue for a copy of the lease entered into by the federal government with Two Seven Five Realty Limited, 141 Laurier Avenue West, Ottawa, for the rental of approximately 187,264 sq. ft. of space located in the Congill Building, 275 Slater Street, Ottawa.

Motion agreed to.

POLYMER CORPORATION BARGAINING AGREEMENTS

Motion No. 89—**Mr. Burton:**

That an Order of the House do issue for a copy of any collective bargaining agreement now in force between Polymer Corporation and any of its employees.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you kindly call notice of motion No. 69?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

EXCHANGE OF TELEGRAMS BETWEEN PRIME MINISTER AND PREMIERS

Motion No. 69—**Mr. Coates:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the telegrams received by the Prime Minister from the Premiers of Manitoba, Saskatchewan and Alberta, on February 3, 1969, and a copy of the replies forwarded to the Premiers by the Prime Minister.

Hon. Donald S. Macdonald (President of the Privy Council): I am informed that the documents requested in this notice of motion were tabled by the Prime Minister on February 7 as recorded at page 5263 of *Hansard*. Perhaps in the circumstances it might be agreed that the motion be withdrawn.

Mr. Speaker: The hon. member is not in his seat at the moment. Is it agreed that the motion be withdrawn?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

INQUIRY AS TO INITIATIVE TAKEN BY GOVERNMENT TO RESOLVE GRIEVANCES

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Prime Minister in the absence of the Postmaster General, who I do not expect to be in the house today. In view of the fact that a strike vote is taking place among members of the Letter Carriers Union in Montreal today, with the possibility of paralysis of the mail service spreading tomorrow, may I ask the Prime Minister whether the government is taking any special measures, or placing itself in a position to explain what new initiatives might be considered, or are being considered, with a view to heading off a situation which may very well result in serious difficulty for the people of the area concerned?

Right Hon. P. E. Trudeau (Prime Minister): I can only repeat what the Postmaster General said in the house yesterday, that both parties, that is, the Post Office and the union, have agreed to refer all outstanding issues to arbitration and that both sides have facilitated the waiver of delay, so that these questions can go to adjudication as soon as possible. The Public Service Staff Relations Board will appoint an adjudicator as soon as possible, and this is the only fair and legal way we see of solving these difficulties.

Mr. Stanfield: I apologize, Mr. Speaker, if my question is not exactly au fait; I was not able to be in the house for very long yesterday. Is it correct that all grievances are being referred to arbitration by agreement, or is it simply the issue of paid travelling time for washing up? There are other grievances which are potentially explosive, such as the difficulty of walk evaluation and the maximum number of hours over which the working day is spread. Is the Prime Minister assuring me that all these matters are now being referred to arbitration by agreement between the Postmaster General and the unions concerned?

Mr. Trudeau: The agreement was to refer the outstanding issues, including of course the special one about the lunch arrangements. But the term "outstanding issues" is not restricted, and it would, I suppose include all the issues which are raised by either side.

Mr. Stanfield: Can the Prime Minister assure the house that agreement has been reached with regard to referring all these issues, so that all the difficulties can be dealt with, and the people of Canada assured that everything is being done by agreement to avoid a stoppage in this essential service?

Mr. Trudeau: In the collective agreement there is contained a grievance procedure. We cannot, obviously, make grievances on behalf of the unions. But they have raised certain grievances and these are the issues to which the Postmaster General has referred as being outstanding issues. We are in this sense the passive party; we are the object of grievances, and we shall see what is referred by the unions. But of course I cannot make any guarantee on their behalf.

Mr. David Orlikow (Winnipeg North): In view of the fact that one of the major points of contention is the issue of the straight-through walks, and in view of the fact that the Postmaster General is taking the position that management has a right to implement this new arrangement, will the Prime Minister urge the Postmaster General to permit the submission of this question to arbitration,

since it is one of the major causes of contention?

Mr. Trudeau: This is the particular aspect of the lunch break, and transportation between the walk and the post office. The new system is a system of single mail processing. Under this new system provision has been made for transportation, and provision made for lunch.

Again I repeat that we are in the hands of the unions as to what they want to make grievances about, but it is my understanding that the employees are all back at work today and there is no longer any cessation of work. Therefore these questions may be purely academic.

Mr. Orlikow: A supplementary question, Mr. Speaker. In view of the fact that Mr. Justice Montpetit at the time of the 1966 work stoppage recommended that the straight-through walk be eliminated, would the Prime Minister urge the Postmaster General to suspend the straight-through walk pending this arbitration?

Mr. Trudeau: Mr. Speaker, I do not know if the opposition are urging that we reopen the collective agreement. If they are, then I do not see that we could agree with them. There has been a collective agreement arrived at. We are sticking to it and abiding by it as we see it. That is the question and that is why we have agreed to appoint an adjudicator. Surely the hon. member is not urging me to ask the Postmaster General to reopen the agreement on some point that was covered by Mr. Justice Montpetit.

Mr. Orlikow: A further supplementary question. I am asking the Prime Minister to urge the Postmaster General to live up to the collective agreement, which did not provide for walk throughs, and to follow the procedures recommended by Judge Montpetit.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question which I will address to the Minister of Labour. Does the minister consider these tie-ups as wildcat strikes?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, one of the reasons the public service act was so designed was to make it unnecessary for the Minister of Labour to pass judgment on disputes between employees of the government and the government itself. In this way it ensured his neutrality as far as employer and employees were concerned, and I should like to respect that particular philosophy.

Mr. MacInnis: A further supplementary question. I would then ask the Minister of Labour—and certainly this falls within the category where I can receive a straight answer—

Some hon. Members: Oh, oh.

Mr. Trudeau: Put your question.

Mr. MacInnis: Mr. Speaker, between the interjections to my right and the panic that seems to be striking the Prime Minister, it is very difficult to get anything across.

An hon. Member: Get on with it.

Mr. MacInnis: I will have to take to quoting the Prime Minister when he spoke the other day, if these bums and idiots—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. MacInnis: On a question of privilege—

Mr. Speaker: Order. The hon. member can state his question of privilege after I have reminded him that he should ask his question. There is no point in waiting unduly. I assure him that I can hear his question and I would urge him to ask it as soon as possible.

Some hon. Members: Hear, hear.

Mr. MacInnis: "As soon as possible" means when I get the proper attention and do not have all these interjections from this group on my right. I might say here and now to the Prime Minister and others that I can include them in the bums because—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Yukon.

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

Mr. Speaker: Order, please. I must bring to the attention of the hon. member that supplementary questions are the entire and exclusive responsibility of the Chair. Previous to the hon. member's rising I had recognized the hon. member for Yukon.

Mr. Erik Nielsen (Yukon): May I direct a supplementary question to the Prime Minister, Mr. Speaker. As the postal workers are back at work, has the inquiry into the legality

of the strike been abandoned? Have the government and the Postmaster General abandoned the intention to prosecute any of the workers?

Mr. Trudeau: Mr. Speaker, on the first question, to my knowledge the matter has not been abandoned. On the second question, the Postmaster General said this was an option open to him, and if the strike is declared illegal this course will be left open to him. That does not mean he will exercise his option; but the provisions of the law remain open to him.

Mr. Hees: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I remind hon. members that we should allow as many hon. members as possible to participate in the question period and we should not, as has been happening during this last week, spend too much time of our 40 minute period on one or two subjects. Dissatisfaction with this has been expressed by hon. members of all parties, who are anxious to ask questions they consider important. I think we might proceed to another subject. I will not forget that the hon. member wished to ask a supplementary question. Perhaps we shall have time later in which he may ask it.

CANADIAN BROADCASTING CORPORATION

ARTEC—GUIDELINES IN PUBLIC SERVICE DISPUTES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister about the dispute going on between the C.B.C. and the Association of Radio and Television Employees of Canada. As the report of the conciliation board stated that C.B.C. representatives were adamant in insisting they could not break the so called guidelines for public service employees, may I ask if guidelines have been established for public service employees. If so, will the Prime Minister be prepared to table the directives and correspondence sent to Crown agencies like the C.B.C.?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are no such guidelines compelling any public body to follow certain specific economic figures or percentages. Last summer we indicated that there was a danger of adding to inflationary pressure by excessive increases in any field, but except in that very general sense there are no guidelines.

[Mr. Nielsen.]

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. If the Prime Minister is now saying there are no salary or wage guidelines with respect to any percentage increase which may be granted to public service employees, are we to take it that the representatives of the C.B.C. who appeared before the conciliation board were not making statements in accordance with the facts, and were hiding behind some assumed guidelines which do not really exist?

Mr. Trudeau: Well, Mr. Speaker, I do not know exactly what the representatives said. We, of course, cannot dictate to the Crown corporation what its terms of settlement are to be. But when the Crown corporation comes to the government for money, it will be met with certain demands and certain exigencies on the part of the government to prevent inflationary increases. Perhaps in this sense the Crown corporations are guiding themselves on what they think is plausible and acceptable. But there is no specific recommendation here on our part.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask another supplementary question. With regard to the percentage of increases in the total wage bill this Crown corporation may have at its disposal, have no salary guidelines been set by the government, or Treasury Board on behalf of the government?

Mr. Trudeau: Well, Mr. Speaker, there have been no specific guidelines as to specific salary increases. Of course the over-all budget of the Crown corporation is determined in government estimates; and in this sense I suppose there are very general guidelines. But there is no specific guideline attached to salary increases.

[*Translation*]

EXHIBITIONS

INQUIRY AS TO CONTINUING "MAN AND HIS WORLD"

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Can the minister tell us whether the negotiations with the Quebec government on the financing of "Man and His World" are now over and, if so, what are the most recent concrete proposals of the federal government in the matter?

[*English*]

Hon. E. J. Benson (Minister of Finance): There have been discussions and they are continuing, Mr. Speaker, with respect to the winding up of Expo and the postponement of debt which was requested by the government of the province of Quebec. These are continuing and I hope they will be settled in the near future. It is not a matter of principle. It is a matter of detail that is involved and the detail has to be worked out. We are anxious to have the Expo Corporation wound up, and the added security for the government of Canada for the debt which is receivable from the city of Montreal and the province of Quebec.

[*Translation*]

AIRPORTS

TORONTO—POLICY RESPECTING LANDING RIGHTS

Mr. Speaker: Does the hon. member for Sainte-Marie wish to ask a supplementary question?

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I raise a point of order concerning the press release issued by the Minister of Transport and entitled: "New policy considered for landing rights in Toronto".

I would like to ask the Minister of Transport whether the government has now taken up the practice of announcing its new policies through the press rather than making a statement in the house, which would enable hon. members to discuss the matter and to ask the minister for details?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I do not think this is a justifiable point of order, Mr. Speaker. The information which was released is really not new, in the sense that it has been talked about for weeks or months and has been a matter of controversy in the city of Toronto even longer than that.

A number of airlines have indicated they would like to have landing rights in Toronto as well as in Montreal. They asked in effect if the government of Canada would be willing to open negotiations with other countries to that end. The government of Canada has decided that we would be glad to negotiate with them, talk to them and if they have anything to offer Canada which is of equal value to landing rights in Toronto, then the bilaterals could be changed accordingly.

I think this is a routine matter, Mr. Speaker, and I am glad my hon. friend shows interest in it. I think it is recognized that Toronto, too, is an important city and there should be more than ample air traffic in the years ahead to provide all the business that both Montreal and Toronto can cope with.

Mr. Valade: I would like to ask a supplementary question. I ask the minister if landing permits are actually being considered for foreign airlines using the airport at Toronto?

Mr. Hellyer: As the release indicated, Mr. Speaker, all that can happen now is for negotiations to take place between any country interested in landing rights and the government of Canada to see whether there is a quid pro quo which would be of equivalent value. This does not guarantee that anyone will have that kind of value to offer, and it is a policy of entering negotiations. I hope there will be some fruitful conclusions. I am optimistic there will be, but certainly nothing is guaranteed until negotiations have taken place.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker, arising from the press release put out by the minister's department yesterday concerning extended rights for the Toronto airport as an international gateway. May I ask the minister whether the government will pursue with greater vigour its efforts to get Winnipeg to the initial stage of being recognized as an international gateway?

Mr. Hellyer: We are exercising greater vigour in this direction. In particular, the Minister without Portfolio who is from Winnipeg, has shown a keen interest, as have other western members.

Mr. Knowles (Winnipeg North Centre): Can the Minister without Portfolio indicate what progress he is making?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Valade: Mr. Speaker, I have a supplementary question for the Prime Minister.

From now on, does he intend to allow ministers to make statements about their administrative decisions to the press rather than in the House? Is it a new policy or must we expect that statements of his—

Inquiries of the Ministry

[*English*]

HEALTH AND WELFARE

MEDICARE—PARTICIPATION BY ONTARIO IN NATIONAL PROGRAM

Mr. P. B. Rynard (Simcoe North): I should like to address a question to the Minister of National Health and Welfare. Is the minister prepared to make a statement to the house on the outcome of his meeting last week with the Minister of Health of the province of Ontario? If he is not prepared today, would he make it on motions tomorrow?

Hon. John C. Munro (Minister of National Health and Welfare): I do not think a formal statement is required, Mr. Speaker. The meeting with the Minister of Health for Ontario dealt with certain administrative problems that Ontario would experience if indeed they did decide to enter the medicare plan. It was agreed that officials at the federal level would meet with officials at the provincial level to see what could be done about these problems.

Hon. George Hees (Prince Edward-Hastings): Was the question of operating medical schools during the summer semester discussed at the meeting?

Mr. Munro: I noticed, Mr. Speaker, that the health minister for Ontario made this suggestion. I asked him what progress was being made, and he indicated it was still under consideration.

TRANSPORT

DIVISION OF BUSINESS AMONG COMPETITIVE TRUCKERS

Mr. John Burton (Regina East): My question is for the Minister of Defence Production in his capacity as minister designate for the department of supply and service. Has the government withdrawn its recently introduced policy of rotating government moving and storage business among those van lines which offer competitive rates and service?

Hon. Donald C. Jamieson (Minister of Defence Production): No, Mr. Speaker, it is not.

Mr. Burton: A supplementary, Mr. Speaker. Is the minister taking action on complaints received from Regina trucking firms protesting preferred treatment given to one van line?

Mr. Speaker: The supplementary can be placed on the order paper.

[Mr. Valade.]

FISHERIES

SEALS—REQUEST FOR EXTENSION OF INTERIM CLOSURE

Right Hon. J. G. Diefenbaker (Prince Albert): My question, Mr. Speaker, is directed to the Minister of Fisheries. In view of the international approval of the humanitarian attitude already displayed by the Minister of Fisheries in connection with baby sealing, would he give consideration to continuing the interim closure of the seal killing season this year, and terminate it so that it will not be re-opened until a full and complete investigation has been made into the alleged cruelties which are being perpetrated? The kill is detrimental to Canada's international image.

Hon. Jack Davis (Minister of Fisheries): There are a number of reasons why the closure might be continued, Mr. Speaker, but I cannot assure the right hon. member at this time that it will be continued beyond Friday.

SEALS—REPORT ALLEGING FRAUDULENT FILM PRESENTATION OF KILLING METHODS

Mr. Lloyd R. Crouse (South Shore): Could the minister indicate whether the fraudulent film made by Artek Films Limited of Montreal in March of 1964 is still being circulated and shown in recent weeks in Europe and in the United States?

Hon. Jack Davis (Minister of Fisheries): I have heard claims to this effect, Mr. Speaker, but I have not personally verified that they are true.

Mr. Crouse: Would the minister check on this matter, since it is detrimental to Canada's image in the United States and overseas? It would be helpful if the showing of this film were stopped.

Mr. Davis: I agree.

Mr. James A. McGrath (St. John's East): A further supplementary question to the minister regarding the document to which I referred yesterday. Would the minister now agree, in the interest of Canada's reputation, which has been badly maligned because of this fraudulent film, to tabling the document to which I referred yesterday, a copy of which he has already read?

Mr. Davis: The hon. member for St. John's East sent over a paper which he said was a copy of a memorandum originating in one of our government departments, and which dealt with seals and the hunt in 1964. The document in question was addressed to a

cabinet minister, but not by name. There was no reference to a department and it was unsigned. In form it is similar to part of a memorandum on file in the Department of Fisheries.

Since the original document on file was prepared by an official of the Department of Fisheries for the information of the minister, it is by nature a confidential document and privileged. It would not therefore be proper for me to seek leave to table a memorandum of this kind, as sought by the hon. member for St. John's East.

I may add that my predecessor, Mr. Robichaud, made several statements on matters relating to the seal hunt and the film in question. For further information hon. members might wish to refer to page 2702 of *Hansard* for March 15, 1966, and page 10921 of *Hansard* for December 9, 1966.

Mr. McGrath: On a point of order, Mr. Speaker, since the document has already been referred to by myself in the house and by the minister, and because of the importance of the subject, and because it affects Canada's reputation abroad, and because it affects a very important industry in Atlantic Canada, would the house agree to give me unanimous consent to table the document?

Mr. Benson: Did you steal it?

Mr. Speaker: There obviously would not be unanimous consent, since the minister said he was opposed to tabling it.

Mr. McGrath: I rise on a question of privilege, Mr. Speaker. The Minister of Finance has made an interjection to the effect, did I steal the document, and I would ask him to withdraw that statement.

Mr. Benson: Mr. Speaker, I would be pleased to withdraw it, and I would simply ask the hon. member where he got it.

Mr. Donald MacInnis (Cape Breton-East Richmond): On the same question of privilege, Mr. Speaker: There is no question of doubt—

Some hon. Members: Oh, oh.

Mr. MacInnis: I am prepared to stake my seat on this, that the Minister of Finance said, "Did you steal the document"—

Mr. Speaker: Order, please.

Mr. MacInnis: —and he has been asked to withdraw that statement.

Mr. Benson: On a question of privilege—

Mr. Speaker: Order. I am sure if the minister has used that word he will be the first one to withdraw it.

Mr. Benson: On a question of privilege, Mr. Speaker, I did withdraw that statement, and I simply ask the hon. member where he got the confidential document?

Mr. Speaker: Order, please. This is the question period during which members ask questions of ministers and not ministers of members. I suggest we go on to another question. The hon. member for Vancouver-Kingsway.

SEALS—ALTERNATIVE EMPLOYMENT FOR HUNTERS

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a supplementary question, Mr. Speaker. In view of the minister's remarks the other day in regard to the seal hunt, may I inquire if he has given consideration to alternative sources of employment and income for the seal hunters?

Hon. Jack Davis (Minister of Fisheries): The answer is definitely yes, Mr. Speaker.

Mr. James A. McGrath (St. John's East): As a further supplementary question, would that answer indicate that the minister has already taken a decision to abolish this industry, which is so important in supplementing the very meagre incomes of the Newfoundland and Magdalene Islands fishermen?

Mr. Davis: Mr. Speaker, this is a matter which concerns a number of ministers as well as a large number of people in the fishing industry in the Atlantic provinces, so this is a decision which must be taken by the government and not by a single minister.

Mr. McGrath: I direct a further supplementary question to the Minister of Justice. Has he given any consideration to abolishing the slaughter of cattle in Canada, including beef animals?

WATER RESOURCES

POLLUTION—DISCHARGE OF HYDROCHLORIC ACID INTO LAKE ONTARIO

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Is the minister aware that the Steel Company of Canada dumped 150,000 gallons of hydrochloric acid into the waters of Lake Ontario over the

week end of February 14 and, if so, what has he done about the matter, or what does he intend to do about it?

Mr. Speaker: Order, please. I suggest that this is a question which could well be debated at the time of adjournment.

DEFENCE PRODUCTION

SALE OF F-86 AIRCRAFT

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a question to the Minister of Defence Production. It concerns the proposed sale of the 26 Sabre Jet planes known as F-86's. Have they been declared surplus, and does his department intend to sell the frames and the engines separately?

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, subsequent to our previous exchange on this I have issued instructions to C.A.D.C. that these be withdrawn from sale until we have a policy decision on the matter. This is now under review, and because there is no policy at the moment they are being withdrawn from sale.

OIL

ROYAL COMMISSION TO INQUIRE INTO DECLINING MARKET

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, as the Minister of Industry, Trade and Commerce is not in his seat I will direct this question to the Prime Minister. In view of the statement by Mr. Dickie, a member of the legislature of Alberta, that the government is considering setting up a royal commission to look into the deterioration of our oil markets in western Canada, may I ask whether the government has made such a decision in that regard?

Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Woolliams: In view of the fact that the federal government is in partnership with certain corporations in the development of oil and petroleum resources in the northern islands, may I ask whether the Prime Minister would discuss with either the Minister of Industry, Trade and Commerce or the Minister of Energy, Mines and Resources the possibility that western oil markets are suffering because of that conflict of interest?

Mr. Trudeau: I will be glad to ask the ministers to consider this aspect of it, Mr. Speaker.

[Mr. Broadbent.]

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Transport.

Could he tell the house whether the matter of a new airport in Quebec involves economic, aeronautical or merely political considerations which prevent the government from taking the final decision?

Mr. Speaker: I believe the question as asked is much too general. The hon. member could put it on the order paper.

[*English*]

LABOUR RELATIONS

ALLEGED CHANGE IN METHOD OF DEALING WITH UNIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question I would like to address to the Prime Minister. Can he advise the house of the reason for the government's abrupt switch from its original policy of dealing directly with a union engaged in a wildcat strike and awarding the members of that union a 30 per cent wage increase, as was the case in the Montreal dock strike, to its current threat to prosecute its own employees in the Post Office?

Mr. Speaker: The hon. member's question is argumentative, and in those terms it is not in order.

Mr. Hees: May I rephrase it differently?

Mr. Speaker: The hon. member can do that very easily.

Mr. Hees: Could the Prime Minister advise the house why there has been this abrupt change in the government's position in dealing with labour unions, as outlined in my former question?

Some hon. Members: Oh, oh.

Mr. Speaker: I would think the second effort is not much more meritorious than the first.

PENITENTIARIES

UPGRADING OF INCENTIVE ALLOWANCES FOR INMATES

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Solicitor General. In view of the fact that the Ontario government is introducing a new system of

graded incentive allowances for inmates of Ontario reformatories, is it the intention of the government to introduce a similar program for inmates of federal penitentiaries?

Mr. Speaker: Order. The hon. member is asking for a statement of policy. I would think the question should be put on the order paper or the hon. member should invite the minister to make a statement on motions.

Mr. Gilbert: As a supplementary question—

Mr. Speaker: Perhaps the hon. member might ask a different question.

Mr. Gilbert: Mr. Speaker, I would ask the Solicitor General whether the government has considered the introduction of legislation to introduce or upgrade incentive allowances for inmates in federal penitentiaries?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, some consideration has been given to this. No decision has been taken by the government with respect to it.

TRADE

BARLEY—ACTION TO DISPOSE OF SURPLUS

Mr. George Muir (Lisgar): Mr. Speaker, I have an urgent question for the Minister of Industry, Trade and Commerce, but because of his absence for the last couple of days I would direct it to the Prime Minister. In light of the decline in barley sales of some 11 million bushels so far this year as compared with the same period last year, is the government giving consideration to sending a trade delegation to visit our traditional barley markets with a view to accelerating the disposal of some 200 million bushels in storage in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am advised by the minister that, after his talks yesterday, he intends to make a statement in the house tomorrow on the subject of grains.

HOUSE OF COMMONS

TELEVISION INTERVIEWS IN AREA ADJACENT TO CHAMBER

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister concerning a subject which I think the house can no longer ignore, namely the extension immediately outside the precincts of the house of its proceedings, through the use of electronic media. Would the Prime Minister and his colleagues consider this issue, and possibly through the house leader indicate some way by which the house could itself debate the matter and possibly come to a decision on it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure how much it is under the authority of the government or of Mr. Speaker, but I will look into the matter. I do not believe it is so much a question of reaching a decision—because the decision is that we have no television in the house—as it is whether we should change the present situation, and that is something we will consider in due course.

FINANCE

ALLEGED ATTEMPT BY FINANCIAL INSTITUTIONS TO CONTROL CAPITAL MARKET

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Finance. Has his attention been drawn to a statement made by an executive of the Bank of Nova Scotia to the effect that the financial institutions have deliberately attracted savings to themselves to keep the government from having access to Canadian savings? If so, does the minister intend to make an investigation into these attempts to control the Canadian capital market?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this is a very general question and I would prefer to look at the particular article in question before commenting on it. I should say that the government of Canada has not had any general difficulty in borrowing funds. This has not been a great problem. The problem has related to the interest that all borrowers in this country and in the world must pay.

Mr. Saltsman: Mr. Speaker, in view of the fact that the government is going to have to go to the market in respect of a bond issue, will the minister look into the situation, in case this attempt goes against the government bond issue?

Mr. Speaker: Order, please.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is for the Prime Minister.

In view of the statement he made recently in Toronto, to the effect that the government is facing great difficulties in keeping the public well informed about its activities, would

he have any proposals to introduce in this house with a view to improving the situation and giving the population a better chance to participate in the formulation of such legislation?

Mr. Speaker: I must advise the hon. member that this is not the right time to make such a statement, and that he might put his question on the order paper.

[*English*]

INDUSTRY

ADVERSE EFFECT ON WORKERS THROUGH COMPANY LOCATION CHANGES

Mr. Walter Deakon (High Park) Mr. Speaker, my question is directed to the Minister of Labour. Is the government considering the provision of protection for workers against outright arbitrary decisions by companies, whereby a few dollars savings in costs is sufficient justification for transferring company locations, thereby wrecking the lives of workers who have rendered long and faithful service?

Mr. Speaker: Order, please. In a way the hon. member's question is very academic. I should think it might be debated at the time of adjournment.

Mr. Hees: I have a supplementary question.

Mr. Speaker: The hon. member will also have to ask his question at the time of adjournment.

CANADIAN CULTURE

WASTELANDS—ALLEGED STIGMA FROM STATEMENT BY MINISTER

Mr. Stan Schumacher (Palliser): Mr. Speaker, in a recent speech at Lethbridge, Alberta, the Secretary of State professed to have discovered in Canada various cultural wastelands. Will the minister now publicly pinpoint these areas of cultural backwardness and thus remove the stigma that rests unjustly on Canadians in all parts of the country as a result of the vagueness of his remarks?

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question in this form, when it has reference to a speech made outside this house by a minister.

AGRICULTURE

STUDIES ON STABILITY OF FARMING OPERATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in the absence of the Minister of Agriculture I should like to direct my question to the right hon. Prime Minister. In view of the statement by the Director General of the economic branch of the federal Department of Agriculture in Edmonton on March 11, that half the farmers in Canada will probably be out of business in ten years, I should like to know whether any studies have been undertaken by the government which support this statement and, if so, are there any programs contemplated to deal with this situation?

[Mr. Beaudoin.]

Mr. Speaker: Order, please. The question is not in order. The rules do not allow an hon. member to ask a question related to a statement by an official outside the House of Commons.

LABOUR CONDITIONS

ALTERNATIVE TO COMPENSATE FOR CANCELLED WINTER WORKS PROGRAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question has to do with the critical unemployment situation, and recent reports to the government by the Canadian Federation of Mayors and Municipalities. Has the government any alternatives to recommend in respect of the unilateral cancellation of winter works projects in order to assist municipalities in the area of water utility pollution control and housing projects?

Mr. Speaker: Order, please. The hon. member is asking a general question which can only be answered by a statement on motions.

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—ANNOUNCEMENT AS TO CONTINUED SERVICE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Transport whether he is aware that the Canadian National Railways last night announced it was going to continue the operation of the *Bullet* at the present time, and will he now accept our invitation to experience the thrill of a ride across Newfoundland in the *Bullet*? This is a ride of a lifetime, Mr. Speaker.

Hon. Paul Hellyer (Minister of Transport): I am not aware of any such announcement, Mr. Speaker, I still want to make an early visit with my hon. friend in order to be sure of a reservation.

LABOUR RELATIONS

WINNIPEG—CANADIAN AVIATION ELECTRONICS LAY-OFF

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Defence Production if he is now in a position to say anything further by way of an answer to my question of last Friday concerning lay-off notices given to 150 employees of Canadian Aviation Electronics at Winnipeg?

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, two meetings have been held in respect of this problem, one with representatives of the province of Manitoba and the other with representatives of the company concerned. As a result of representations this matter is now being considered by the officials of my department and myself. I hope to be in a position to give a more complete answer by the end of this week.

RESEARCH

CONTRIBUTION TO NATIONAL ACCELERATOR LABORATORY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask a question of the President of the Treasury Board. Has the government considered or is it considering a Canadian contribution to the National Accelerator Laboratory which is a United States research project, as suggested by the Canadian Association of Physicists, which in turn is financed by the National Research Council?

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

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the Minister of Transport.

Could the minister tell the house whether a meeting with the representatives of the province of Quebec is to be held soon with respect to the international airport and when he will announce what site has been chosen for the new airport?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am still full of hope. The government is urgently attending to this matter and I expect to have further communication with the government of Quebec within a very few days. I hope an answer can be given very shortly thereafter.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY AND OTHER NEW DEPARTMENTS

The house resumed from Tuesday, March 11, consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

The Deputy Chairman: When the committee rose on Tuesday, March 11 clause 13 of the bill was under consideration.

On clause 13—*Department established*

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am very happy to take part in the debate on Bill C-173 which provides for the merger of two departments.

But first of all, I should like to express to the minister my feeling of admiration. I shall point out to him all that is worthwhile, from our point of view, in clause 13.

I shall tell him shortly that there are a lot of good things in his new department, but all is not well, nor in the best interest of the nation. There are some points to be considered and to be stressed in the field of industry, for instance.

I think that in his remarks the minister has dealt mostly with production, productivity in the industry and exports.

I should like to point out to him right now that there is no production problem, but there are many problems in respect of purchases, because price figures do not correspond to money figures. For a viable economy, there must be corresponding money figures and price figures, but the minister has failed to mention that in his statement. He said that all kinds of means should be found to increase productivity. Production is equivalent to consumption, but in order to ensure consumption he suggests to resort to exportation.

It is all very well to say that we can produce and export. However, Mr. Chairman, it is rather difficult to export when the cost of production is too high, when that cost is being increased by taxes and the extravagant interest rate the government is imposing. The minister did not say a single word in this

respect and he did not open any new horizons in spite of the fact that a great many should be open in the field of industry which is after agriculture the very basis of the Canadian economy. If we manage to make a profitable industry out of agriculture we will find there the consumers we need. If we manage to finance consumption as well as production, we will find there a domestic market which would allow a great many of our industries to live. As I said earlier, if the minister were willing to deal with the taxes and the interest rates, we would have a prosperous industry.

At this stage, I would like to support the cause of the small industries. There are three kinds of industries in Canada: big, medium and small industries. The latter have the right to survive, just like the big ones, but I would like to point out to the minister that they do not have the same advantages as the big ones.

Actually big industries benefit from the advantage they get from their capital stock, which they do not have to pay back. They operate with millions and can get the capital necessary for their operations from the stock market or from various institutions which buy part of the capital stock of large companies.

But small industries are unable to venture into the stock market because conditions are too stiff and too precarious. Thus it is impossible for them to get capital from it. Small industries try to get capital through other means. They get incorporated as companies that float bonds on the market or attempt to sell stock to friends. They try to sell part of their capital stock but people are not willing to buy it.

One wants to see the small industries expand but no one will buy their stock because everyone is afraid to lose money. Moreover, since the government grabs all the unused capital including that of Crown corporations or government agencies, the thrifty buy bonds issued by different governments, municipalities or school boards, and there is no money left for the small industries. Thus, the small industries have a problem with regard to capital, because taxes are too high and two numerous.

Even if it is making profits, the small enterprise cannot survive because it does not have enough capital to get organized in such a way as to become a paying concern. Therefore, it must borrow money from the government, from the Industrial Development Bank whose present rate of interest is 10 per cent and perhaps more. Because of this high rate, the small enterprise has to make money in order to pay back some capital each year. It must also pay interest on capital and taxes on the capital paid back and the depreciation funds. It is therefore in an unbalanced position. As a matter of fact, the small enterprise cannot develop at the same rate as the economy and in accordance with present-day scientific standards, because it cannot correct all such deficiencies.

Also, all levels of government levy taxes. In the area of transportation, for example, the small enterprise, which is located far from the larger centres, is in need of transport and has to pay very high taxes on gas, on truck parts, on just about everything. It incurs a lot of expenses of which the large enterprise is free. As the small enterprise must pay taxes, reimburse capital and pay exceedingly high interest rates, would the minister tell us how he intends to help the small industry? By what means does his department propose to promote the growth of underdeveloped areas?

Small industries are to be found mostly in underdeveloped areas. Then, if we want to assist those areas, we must obviously help the small and medium-sized industries because the big ones, that run on millions and millions of dollars, are not established in those areas.

• (3:10 p.m.)

In case we want to reorganize or balance our economy again, so that the deprived areas may become normal ones, where production might be possible and more jobs available to the labour force, the minister will certainly have to suggest solutions other than the one contained in this bill.

In his bill the minister speaks about promoting tourism and creating external markets. Now, to create domestic industries able to compete on external markets, we must see to it not only that they pay taxes but also that they are in a position to expand to a greater extent.

Mr. Chairman, one of the main points in the minister's bill is industrial expansion, to help underdeveloped areas. In my opinion, the minister insisted mainly upon regional disparities as regards the areas he wishes to promote, and I believe that we cannot promote such areas by creating more jobs, because if we want to increase productivity, by all means we will have to draw on modern scientific and technical progress. Now, if we apply the new technical and scientific methods, instead of increasing the number of employees, we will have to reduce it, for

industry cannot pay the workers wages high enough to ensure the consumption of its products.

The external market cannot by itself absorb the whole Canadian production, since while selling abroad, our country in turn has to import, and this hardly puts out of balance our national production.

The purpose of developing industry is to make more jobs available. This is at least what I understood from the minister's speech. However, we cannot certainly do so through industry, because, when a new industry employing fifty or so people is established, two or three others might have to close down, thus laying off hundreds of workers.

If, for instance, an average industry manufactures $20,000 worth of raw materials every week and if its payroll comes up to $1,500, I ask the minister whether the $1,500 paid in wages can possibly buy $20,000 worth of products. I think there lies the crux of the problem and the minister did not give this matter any consideration. He did not indicate any solution to that serious problem of modernization.

We are in favour of it, but people have a right to live. And because high salaries are paid and techniques are kept up to date, no industry can spend enough on salaries to provide jobs for all workers so they may be able to earn a decent living.

Even if we find new openings abroad, there will always be some unemployment in Canada, which is due precisely to science, progress and technology.

The minister and his department should intervene in that field and undertake concrete studies in order to find solutions to the problem. The minister will say that his job is to look after industry, manpower, the unemployed and that all the rest concerns other people. Yet it is his business as well as other people's. In fact, it concerns us all since we are here to govern humanely and to serve individuals. Canadians have fundamental rights on production, conservation and consumption.

Mr. Chairman, unless we take this problem in hand, we will never be able to operate industry and distribute all the money families need to live properly in a country like Canada where science is so advanced that industries hardly hire workers now.

In view of our economic conditions, industries must absolutely become automated, they must use more advanced methods because manpower, besides being costly, has all kinds of requirements that the machine does not have. In order to survive, industry must at all costs have recourse to scientific means and lay off people who on account of new technology will have no place there.

I think that the minister should take note of these suggestions and use his powerful brain in order to find solutions to the various economic, industrial and technical problems which we have to face.

After all, we must enable our citizens to live. Exports will not solve the Canadian problem, because it will enable other countries to become industrialized and as soon as they are, we will no longer have markets abroad. As soon as peace will be restored in the world, when, for example, the Americans will no longer be at war, our markets in the United States will practically be eliminated. We have a steady market there, because Americans are at war and thousands of men are destructive to enable others to build.

I will point out to the minister that we have no production problem and we were aware of that fact during the last World War. We allowed our machinery to become rusty and our labour force to be deprived of everything during 20 years and then suddenly, the problem is settled, because we have found some destructors and consumers.

The minister should realize there is an enormous surplus in all industrial sectors. In fact, some Canadian industries operate only five, six or seven months a year. They must close the rest of the year because they are unable to sell their products, or their warehouses are full. Those products are financed at 9 and 10 per cent interest rates. It is impossible to lower their price in order to sell them. Indeed, to sell the stored goods, prices must be increased. The unemployed and those who do not have sufficient revenue to buy those products have no purchasing power because of the general increase in the cost of living that our wonderful economic system has brought about.

The fault is not with the production. Let us do as we did during the war; let us arrange for consumption and production will look after itself. Industry will get organized; it will have no use for the great government experts and for all its agencies. Industry used to thrive and it still can. But when industry faces an economic problem like overproduction, new departments are established, two are combined in an effort to solve the problem. Some people say: Industrialists do not know what to produce. They have inadequate

technical knowledge and they do not have the financial means. They will be granted loans at 10 per cent, which will increase the cost of production even more. Something should be done to enable them to sell their production on the domestic market, but nothing is done.

The hon. minister, through his department, should intervene to settle the problem.

Mr. Chairman—

The Deputy Chairman: Order! I am sorry to interrupt the hon. member in the midst of his interesting remarks, but his time has expired. Unless he gets the unanimous consent of the committee, he will not be able to go on with his remarks.

Some hon. Members: No.

The Deputy Chairman: I see that unanimous consent has been withheld.

[*English*]

Mr. Broadbent: Mr. Chairman, I want to make two very serious criticisms of the government's research and development programs. The first is that they are contributing to the establishment in Canada of a permanent industry based on warfare or defence, something entirely new in Canadian history as a permanent establishment. Second, I want to suggest that the government's research and development programs for the civilian sector constitute an unco-ordinated mess and have not produced any significant results.

• (3:20 p.m.)

I first made the charge that the government was promoting a military-industrial élite in this country, inadvertently, perhaps, by means of its research and development programs, in my speech on the estimates of the Department of Industry on December 2. At that time I charged the government with being responsible for this development through the use of its research and development financial assistance programs. These programs, I asserted, provided greater financial assistance to military research than they did to research in the non-military sector. The minister replied that my contention was unfounded. He asserted that the benefits available to research and development for non-military purposes were equal to those available for military purposes. On December 4, I rose on a question of privilege, contending that the minister had misled the house. The minister had argued that a combination of assistance under the Industrial Research and Development Incentives Act and PAIT, the program for the advance of industrial technology, would give an industrialist as much as he would get in connection with a defence project.

What the minister failed to tell us was that a defence industry might also receive funds from the IRDIA program. This fact is of decisive importance in the dispute. An appropriate comparison between the benefits available to military and non-military research and development can be made only by considering all the programs available—and available at the same time—to each of the sectors. Thus, the appropriate comparison is obtained by weighing the benefits provided to the civilian sector by IRDIA and PAIT against those provided to military research and development by IRDIA and the defence development sharing program, or DDSP. Such a comparison confirms, as I indicated, that the Canadian government now provides more money for research and development in the military area than it does for civilian work.

However, the minister still continued to deny what seems to me to be the truth of the matter. On December 6, 1968, he said the issue was a rather technical matter—some euphemism!—and that he stood by his original contention. I subsequently challenged the hon. gentleman to take part in a public debate on the question but, of course, he refused. Once again I challenge the minister to make a statement on this very serious matter. I ask him to deal specifically with the answers he provided to a series of questions which I placed on the order paper.

We, in Canada, should not be using public funds to finance research and development in connection with military matters, at least not on the present scale. When military equipment is needed, we should purchase it from others. We, in Canada, should concentrate our research money on civilian projects; we should not have committed ourselves to a policy of developing a military technology to be used to increase our armament exports. Yet, it is exactly this kind of policy which the government is pursuing.

It is important to note that the government itself has undermined its own program for research and development in the civilian sector by giving greater benefits for military research and development. At present the government will provide approximately 50 per cent of the capital costs of military research and development. But in the civilian

sector all financial assistance, plus interest on the money advanced, must be repaid if projects prove commercially viable. Is it any wonder that there have been major advances in the military sector but almost none in the civilian sector? Is it any wonder that as N. H. Lithwick noted in a recent article in the *Journal of Canadian Studies*, over 50 per cent of federal funds going into research and development are used for military purposes? If profits from war industries are greater than those derived from production for peace, are industrialists likely to choose the latter?

In an answer to a question raised by me, the Minister of Defence Production stated that the value of sales of weapon components by Canada increased from $171 million in 1965 to $275 million in 1967, about 60 per cent. In an answer to another question, this time directed to the Minister of Industry, Trade and Commerce, the following was revealed: In the fiscal year 1964-65 $474,000 was provided under the Industry Modernization for Defence Exports Program to cover 19 projects. By the fiscal year 1967-68, this had increased to $10.6 million covering 95 projects. A similar expansion in spending, though one not quite as great, can be found if one examines the expenditures in connection with the defence industrial research program of the Defence Research Board between the fiscal years 1962-63 and 1967-68.

Most alarming of all are the figures relating to the defence development sharing program. In the fiscal year 1961-62, the government was spending $4.4 million on 33 projects. By last year this had increased to $23 million and 53 projects.

I suggest, Mr. Chairman, that if the Canadian people knew of this expanding involvement in the armaments industry they would repudiate the Liberal government and demand that we cease providing this financial support to those who have properly been called merchants of death. The government is quite consciously trying to cash in on the increased market for armaments. They are deliberately making a growing portion of our population dependent for their livelihood on the perpetuation of international conflict.

An hon. Member: Nonsense.

Mr. Broadbent: Well, stand up and debate it.

This, in turn, creates more and more people with a vested interest in military-oriented industry. I am not referring now only to the military and to owners of factories. I am referring also to the ordinary men and women across Canada who obtain jobs in these industries. Understandably, they wish to preserve their source of work; they must provide for themselves and their families. Can they be blamed if at some future date they oppose the closing of an aircraft factory or of a chemical plant concerned with biological warfare? Is this the kind of Canada we should be creating? Of course not. And this government should be condemned from one coast to the other for promoting such a development through its research and development program.

Before I leave this point, I should like to draw attention to the fact that President Kennedy made a point of asking Secretary of State McNamara to devise a program which would, over an eight-year period, reverse precisely the kind of policy I have been describing, that is one which was directing so much of the research and development and, consequently, so much of the economy, into areas dependent on production connected with warfare. The question I raise this afternoon is whether, in the light of the experience in the United States, we in Canada should be embarking on the same kind of foolish developments.

It is clear that the Department of Industry has decided to promote defence industries on the ground that to do so is politically expedient. In its program review for 1969-70 the department concluded that independent Canadian production of all our defence needs would be uneconomic. It then proceeded to reject the logical conclusion that we should purchase our defence equipment abroad. It did so by arguing that to buy on the basis of the lowest rates in world markets would, and I quote, "deprive Canadian industry of a vital source of advancement, not to mention annual exports currently of the order of half a billion dollars."

It is impossible to escape the conclusion that the government has sacrificed the public interest to that of the defence industries. I am certain, Mr. Chairman, that if Canadians were fully aware of these facts they would insist that we stop subsidizing defence industries and shift all the money we have available for research and development to the civilian sector. We must encourage the development of sophisticated technology in the non-military sector. We must employ our scientists and technicians in projects intended for the full, peaceful utilization of our abundant supply of natural resources. This means that

we must be selective in the allocation of public funds. We must assess both the international market and our available resources, and then decide in which areas we would most likely be successful in terms of developing and selling commercial, not military products.

• (3:30 p.m.)

In the civilian sector we must find out why Canadian industry has not been very responsive to the government's research and development financial assistance programs. PAIT, the program for the advancement of industrial technology, was established in 1965. The Department of Industry clearly expected to get better results than it has. For the past two fiscal years the department estimated that it would provide $23 million for research and development under PAIT. In fact, it spent less than 50 per cent of this amount. We must find out why this is so. I have already suggested one reason, namely that the financial benefits of research and development in the military sector are better.

However, there must be other reasons and I suggest it is up to the government to find out what these are. Has the government consulted private industry? Perhaps the PAIT program should be dropped completely, or perhaps its requirements simply need modification. In either case, it should not be undermined by programs designed to finance the defence industry.

The same point is equally applicable to IRDIA, the Industrial Research and Development Incentives Act. There is no evidence which indicates that this program, established two years ago, has led to an increase in research and development in the civilian sector. In fact, what seems likely is that the government has merely subsidized private industry in doing what it would likely have done anyway without IRDIA. Again, if the government can produce evidence that suggests the contrary, I am sure most hon. members of this house would like to hear what it is. Once again the remedy would be to stop making research and development grants available to all applicants on the basis of broad general criteria, and concentrate instead on projects selected on the basis of their commercial viability in the international market.

We Canadians, Mr. Chairman, are living in an age in which research and development play a crucial role in the development and maintenance of an industrial economy. We Canadians have just recently begun to see the importance of this fact by at long last devoting public funds to this area. However, instead of launching a cohesive, vigorous program in the civilian sector, the federal government has started us down the military path. We must put an end to this immediately. We must shift our effort in the direction of civilian research. We have great resources. We have talented people. We must combine the two for humanitarian purposes.

Mr. Perrault: Mr. Chairman, the last two speakers in this particular debate were from the socialist party of Canada. I listened with interest to the remarks of the hon. member for Waterloo—

Mr. Broadbent: On a point of privilege, Mr. Chairman.

The Deputy Chairman: Order. The hon. member for Oshawa-Whitby is rising on a question of privilege.

Mr. Broadbent: I should like to point out to the hon. member that only one of these speakers to whom he refers would be proud to call himself a socialist, I suspect.

Mr. Perrault: Don't tell me there is an ideological split in that party.

Mr. Broadbent: There are two parties down here.

Mr. Perrault: It interested me that yesterday the villain was the United States; today it is the military clique. We have not heard much constructive criticism about how to make the Canadian economy grow, how to provide jobs for our working men and to expand trade. It amuses me to hear this assault on United States investment capital. Hon. members may be interested to know that one difficulty confronting the present government of the province of Saskatchewan is that during those socialist years in Saskatchewan almost all of the borrowings on behalf of Saskatchewan were effected in the canyons of Wall Street.

In fact, the provincial secretary spent so much time in the United States borrowing United States money that he is now a permanent resident of the United States. He became so enamoured of the country to the south of us that he decided to settle there. Despite the warnings of the Liberal party when it was in opposition that we were putting too many borrowing eggs in one United States Wall Street basket, the Saskatchewan government continued the practice. Now, the debt has to

be repaid with the 8 per cent differential, and this is causing a great deal of difficulty to the government.

I have heard no reference to the quality of United States investment in Canada that was made during those socialist years in the province of Saskatchewan. I have found no expression of opinion in this debate thus far on the substantial grant that the United Autoworkers made to the New Democratic party in the last election campaign. Apparently, there is a difference in the quality of the types of United States investment that are welcomed in Canada as far as our friends to the left are concerned.

It is not for me to review the past history of our friends to the left in this area of investment capital, but perhaps I could mention that one Texas entrepreneur who came to Saskatchewan to found a cement plant and a steel plant during the socialist government's heyday, the bonds of those companies being guaranteed by the honest taxpayers of Saskatchewan, became a millionaire overnight. Clarence Fines, in a notable quotation, stated: "We in the N.D.P./C.C.F. of Saskatchewan like to make millionaires of this kind".

I am greatly interested in the true philosophy of this party in the area of expanded job opportunities for Canadian workers. I speak for many people of all parties in western Canada when I express the hope that a reorganized department will usher in a new and unparalleled program for growth in this country, and that we will develop new markets for Canadian goods not only on this continent, including the United States, but also abroad. This will take a degree of integration. Nations of the world today that have a narrow, introverted outlook really have no future in the international trading community. Today, the world is much smaller than it was in terms of communication and we will require to have closer links with Europe and the Pacific rim nations as well as with the United States of America.

This is inevitable if we are to maintain any kind of standard of living in Canada. Surely, there is a growing realization on the part of members of all parties that a just society cannot be financed on the basis of continuing inflation, and it cannot be nurtured solely on vague feelings of brotherhood and humanitarianism. It is an obvious truism that the just society must be the product of greater efficiency and productivity here at home and better effort abroad in order to develop new markets for Canadian goods.

I am not suggesting that our trade figures are not impressive. We have done very well during recent months. I am very enthusiastic about the appointment of this minister to his new, key post. I think the outlook is promising and I suggest that we continue to be expansive both in our outlook and in our trade philosophy.

In order to enjoy increasing trade, it is obvious that we must consider the purchase of more goods from abroad. It has become a cliche to say that trade is a two-way street. Those of us in western Canada, the 1,526,000 Albertans, the nearly two million British Columbians and the large populations in our sister provinces of Manitoba and Saskatchewan, realize that trade is a two-way street. Some of these imports will affect Canadian industry. Some of our own industries may suffer adversely for a period of time as a result of the impact of imports from abroad. Yet, it is to be hoped that in the face of competition from abroad we are not going to retreat into the narrow doctrine of protectionism which is rearing its head in all parts of the world today.

• (3:40 p.m.)

The President of the Chase Manhatten Bank of New York, David Rockefeller, addressed the bank's annual forum in Toronto. He said, as reported in the *Globe and Mail* for November 21 last:

> —western countries have made a full turn-back toward restrictionism in trade matters. And the final outcome of this resurgence—if it is not beaten back—is likely to be a calamitous decline in world trade.
>
> He said the history of the 1930s provides a grim and unmistakable warning of what can happen when protectionist forces gain the ascendancy.

He said protectionist forces are gaining ascendancy. Protectionism is not restricted to the United States. Even within the common market, tariffs are still charged on a wide range of goods. Then, he goes on to point out how modern protectionism is rearing its head in the form of subsidies, barter deals and other ways. He concluded by saying:

> Despite the revival of protectionism in some quarters, the preponderant view in industrial nations favors continuing efforts to reduce both tariff and non-tariff barriers to trade in industrial products. One approach that has great merit, in my opinion, would be to develop a broad free trade area among nations that would agree to phase out industrial tariffs over a period of years.
>
> While such a free trade area might start with a small nucleus such as the United States, Britain and Canada, I would hope that it would be completely open-minded . . . In all of this, we must not

shrink from the appearance of some loss of national sovereignty. Interdependence is a fact of life, and co-operation in the essence of progress.

It may be impractical at the moment to bring about a free trade area of this kind. There may be impediments of all kinds; but at least let us have an outgoing approach to free trade. Let us investigate the feasibility and possibility of lowering tariffs. I have been encouraged by the speeches our ministers have made on the subject. Speaking about the possibilities of free trade, the Secretary of State for External Affairs said in New York on November 14, in part:

> One broad sector for which there is obvious scope for a greater international divison of labour is forest products—lumber, wood products, pulp and paper. But the great expansion of markets for these products will not be confined to North America. Much of it will be in Europe and Japan. A purely bilateral trade arrangement between Canada and the United States in this sector would be second best to a tariff arrangement involving all the industrial countries of the free world. Canada and the United States would both gain much more from a multilateral than from a bilateral arrangement.

We ought to move in the direction of freer trade and lower tariffs. If there is a danger that Canadian industry may suffer from competition arising from freer trade, let us extend our adjustment assistance programs to secondary industry to make sure we do not suffer economic losses in this country and that our workers keep their jobs and incomes. If Canadian industry suffers as a result of competition then, by all means, let us determine whether any particular industry is suffering unfairly or whether the blame can be attributed to lack of productivity, lack of technological innovation or lack of managerial skill or enterprise. In the long run, further protectionism will do little to defer the demise of an inefficient industry which is unwilling or unable to keep pace with change and competitive forces.

Yesterday, the hon. member for Waterloo read, I believe, from the Fourth Annual Review of the Economic Council of Canada. Significantly, he did not read from the Fifth Annual Review entitled, "The Challenge of Growth and Change", published in September, 1968. The Economic Council says, in part, at page 154 of its Fifth Annual Review:

> Of all the major instruments of national economic development, perhaps none has proved to be a more potent source of interregional tension than the system of protective tariffs and related commercial policy devices. It is a time-honoured and enduring ritual at federal-provincial conferences on fiscal and economic problems for Ontario to remind the country that it provides about 45 per cent of the total direct tax revenues flowing into the national treasury, and for the Atlantic and western provinces to rejoin that, among the various burdens they carry, the tariff provides Ontario with its sheltered market while most of their own producers must sell abroad at competitive world prices. Over the years regional unevenness of the cost of the protective tariff has been regularly used to support arguments for providing an elaborate structure of regional and national transportation subsidies, special assistance to primary producers in agriculture, fisheries and mining, tax concessions of particular regional interest, and revenue equalization payments to the lower-income provinces.
>
> As we have already indicated, the initial purpose and effect of the protective tariff, together with a national transportation system, was to establish an east-west trading relationship, involving a considerable degree of regional economic specialization. The manufacturing and industrial core of the country developed in Ontario and Quebec, with a strong primary resource orientation in the other regions. The expectations of the Atlantic Provinces that they would also perform an important national manufacturing and service function were frustrated both by changing technology and by the westward shift of North American population and activity—
>
> The broad structure of the tariff and the traditional view of its national and regional impact are generally familiar. One of the main effects of tariffs is that purchasers of goods pay higher prices for certain commodities than they would pay for the same goods at duty-free import prices. The amount involved is what has been called the "cash cost" of the tariff. Earlier studies suggested that this "cash cost" of the Canadian tariff is substantial. Not only do Canadian consumers pay substantially more for many finished products as a result of the tariff, but most Canadian producers pay more for a wide variety of materials, machinery and components as a result of the tariffs on these items; and these higher costs of production are reflected in the prices of goods produced in Canada. All Canadian consumers and producers share in the cash cost of the tariff to the extent that tariffs affect the price of the goods they buy. But the impediments that tariffs impose to access to some cheaper sources of supply in adjacent areas of the United States tend to result in a somewhat larger cash cost in the Atlantic Region and the western provinces than in Central Canada.

The hon. member for Waterloo talked about the productivity of Canadian workers, and the Economic Council had this to say about them:

> But a far more important effect of tariffs is that they tend to depress the levels of output per employed person in Canada.

In other words, the Canadian worker, one of the most efficient workers in the world, is hampered by having to work for too small a market. We should, therefore, try to increase his productivity by enlarging his market.

Mr. Saltsman: On a point of order, Mr. Chairman. I know the hon. member does not wish to be unfair. I wish to make it clear that

in my remarks last night I said I hoped to see Canadian workers become more productive. I spoke of the rationalization of industry and removal of tariffs. We recognize that what the Fifth Annual Report says is true. We ought to be moving towards free trade. Our party accepts that, but thinks that we can only have it when our industry is sufficiently competitive to exist in a free trade atmosphere.

Mr. Perrault: I must confess that is not the impression I obtained after reading the hon. member's remarks in *Hansard*, which seemed to be confusing. I did not think he said anything about reducing tariffs or free trade.

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

Mr. Perrault: Could I answer in a few minutes. I wish to finish reading from the report of the Economic Council. I continue reading from page 156 of the report:

> Recent studies have concluded that this "production effect" of the tariff (both Canadian and U.S.) may be very substantial—indeed that the economic costs to Canada may be significantly higher than the "cash cost" of the Canadian tariff—and that these combined economic costs may constitute a very significant element in the large and persistent gap in productivity levels and in the average levels of real standards of living between Canada and the United States.

I apologize to the committee for quoting so extensively from the report. I have great respect for the Economic Council as other hon. members have.

Some are concerned about competition from the Pacific rim countries. I point out that Canada sold $605 million worth of goods to Japan in 1968. That was an improvement of between 5 per cent and 6 per cent over the 1967 figures. Of that amount, almost $300 million worth of goods came from my home province, British Columbia. The trade provided thousands of jobs, and incomes for our productive work force in British Columbia, and, in turn, millions of dollars for the federal treasury. I submit it is wrong to say that trade with Japan and other Pacific nations conferred some sort of special benefit upon British Columbia alone. Ontario sold Japan lumber, agricultural products, copper, scrap iron, minerals, chemicals, machinery and other products covering a wide range in 1968. No wonder an Ontario trade mission headquarters will be opened in Tokyo and no wonder the minister's department has been so dramatically improved and expanded over the past two or three years.

• (3:50 p.m.)

The province of Quebec sold over $65 million worth of goods to Japan in 1967. The figure was up in 1968. The Atlantic provinces sold farm products, lumber, copper and other minerals to name a few of their exports to the Pacific area. Our friends on the prairie sold millions of dollars worth of wheat and grain, almost $77 million worth of wheat and grain from Saskatchewan alone in 1967, oil seeds, chemical fertilizers, flax, rapeseed and propane gas.

Recently, we sent a trade mission to South America. My perspective may be different, Mr. Speaker, but it seems to me that our order of priorities should have placed a mission to the Pacific rim nations before the South American junket. As an illustration of the fantastic potential of the Pacific, the statistics show that through western ports Canada exported goods to the value of $505.9 million to Japan; almost $60 million to Australia; $750,000 to little Fiji; over $10 million to New Zealand and over $1½ million to other Pacific Islands including French Oceania, British Oceania and other destinations. Exports to other Asiatic Countries amounted to $160.5 million to Mainland China; $35 million to India; $9.4 million to Hong Kong; $8.5 million to South Korea; almost $10 million to the Philippines and almost $15.2 million to Taiwan.

I hope I may be forgiven for quoting from the weekly journal *Truth*, dated September 1, 1881, London, England:

> British Columbia is a barren, cold, mountain country, that is not worth keeping.

Through the ports of the province of British Columbia, whose potential was dismissed so airily in 1881, there were $2,249,343,296 worth of goods exported to the world in 1968. Of that total $821 million worth of goods was produced in British Columbia, a 10 per cent increase over 1967. I suggest to the minister and to this house that the potential of western Canada should not be underestimated and I refer to all the provinces, Manitoba, Saskatchewan, Alberta and British Columbia. Western Canada holds the key to much of Canada's future prosperity. Through the ports of western Canada, Canadian trade can achieve potentials unheard of if we will but invest time, trouble and opportunity.

Let the minister in this parliament announce a trade mission to the Pacific. Let us seek co-operation with the four provincial premiers; let us not be working at cross purposes. Let the provinces be given the right

and the power to appoint a number of representatives to this working trade mission. We should establish a two way dialogue between Canadians and our trading partners, as well as our potential partners. If we listen to their problems they may be inclined to listen to some of ours. This mission should be broadly representative of western Canada. One-half of the delegates should be appointed by the four western provinces and the other half appointed by the federal government. There should be a serious, working, fact-finding mission which would report back to the various governments in Canada their recommendations for future action.

As far as our continental situation is concerned, Mr. Chairman, our natural trade patterns are north and south. One fact was made clear to me as a member of the Transport Committee of the House of Commons. It is that the future of the great maritime section of Canada surely cannot lie merely in paying increasing subsidies to those provinces. There has to be basic economic assistance to the maritimes in order for them to share in the prosperity of this country. The natural markets for the maritime provinces are in the Atlantic states of the United States. It is ridiculous for them to be forced to sell their goods continuously in central Canada. If the future of the maritimes is going to hinge upon the benevolence of governments in Ottawa, Liberal or Conservative, to extend tariffs, I do not think the outlook for the maritime provinces—

The Deputy Chairman: Order, please. I regret to inform the hon. member his time has expired.

Mr. Perrault: I could finish my speech in two minutes.

The Deputy Chairman: Does the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. Perrault: I appeal to the minister and the government to be courageous and attempt to negotiate with the United States, industry by industry. There should be free trade to provide meaningful assistance, not only to the maritimes but also to western Canada. If the automotive agreement is good for central Canada, other agreements can be achieved which will equally benefit the maritimes as well as the provinces of western Canada.

One of the difficulties facing the people in western Canada is the fact that it costs immeasurably more for a company to manufacture a product in British Columbia and sell it in Toronto than it does for a company in Toronto to manufacture in that city and ship to the western part of Canada. Because of this cost British Columbia must look to the state of California, a state with 20 million people. We can boast of half a dozen profitable furniture manufacturing companies who sell most of their products in central Canada. Why can't there be greater access to the ready markets to the south of us? This could be done without endangering our national sovereignty one iota. It is time to get moving in this direction.

Mr. Gleave: I would like to make a few comments regarding this reorganization, Mr. Chairman, and mention some ways in which these departments have affected agriculture in particular, as well as some of the effects they will have as time goes on. I do not want the previous speaker to feel badly about what someone said with regard to British Columbia back in the year 1881. Some time he should read what Captain Palliser said about the prairies. I am sure it was just as bad.

We as Canadians are concerned with making the best we can from the very rich inheritance which we have, to bring the benefits of this productivity to Canadians and to expand that well being to the best of our ability. The Department of Industry, Trade and Commerce must be very concerned about how well this is being done, although I have misgivings in some areas. Let me cite one instance.

I asked the minister a question on January 24, with regard to a study of the dairy industry undertaken by the Department of Industry. You can see a reference to the study in the 1966 report where it is stated:

• (4:00 p.m.)

With the co-operation of the dairy industry, dairy plant operations in Canada have been studied in depth on a regional basis and by size and product mix. The study has indicated an urgent need for dairy plant modernization in Canada. A program designed to encourage the modernization of dairy processing and manufacturing plants is now being developed.

Apparently this information cannot be made public. At least I have looked in the same review for 1967, but found only a small reference to cheese. I did not see any further reference to this very important study of the industry. One wonders whether it was dropped or shelved. Were the facts that were deduced too horrible to bear the light of day? If they were revealed, and if they were put to

work would they assist the dairy industry? Would they assist the farmer? Would they assist to cut down the $138 million subsidy to the dairy industry?

I have no doubt we have people in the department able to make these kinds of studies, but if we are going to make these investigations in depth we should know what they reveal. We should know what an investigation of the dairy industry reveals, because you do not divorce the processing industry from the farmer. It is part and parcel of the whole business.

I am concerned about what is proposed and what is going to happen on the grain side of the agricultural industry. From what is said from the other side of the house I understand that the Department of Industry, Trade and Commerce jointly with the Department of Agriculture has set up a Grains Council, not by act of Parliament but by letters patent. Will this Grains Council make all the results of its studies public? If it does research, if it investigates aspects of the marketing of grain, of the production of grain, of the transporting and the handling of grain will it report its findings? Will its reports be made public? Are we, as farmers, going to know what this council has to say about our welfare? As yet, no assurance has been given that this will be so. The Grains Council will report to the government. Will the government tell those whose livelihood is involved, whose well being is involved, what private discussions are being held behind doors, and what facts have been discovered?

The old Department of Trade and Commerce, now the Department of Industry, Trade and Commerce, traditionally played an important part in the welfare of the prairie farmers. It is necessary that those farmers have confidence in the department. I would say that, through the Canadian Wheat Board, farmers have displayed a fair amount of confidence in that department, in its honesty and in its fairness. Sometimes there have been some rather exaggerated wheat sale forecasts, but we take these with a grain of salt. We have lived a long time with them. But let me tell the minister that if the day comes when the farmer thinks he is being dealt with on a basis of less than complete frankness, much of that trust will disappear.

We have just come through a series of GATT negotiations, and I could not help but think that the Canadian farmer came out of them with very little. Recently, I read that a task force on agriculture is going to report at the end of this month, and that it is going to recommend that wheat acreage be cut 30 per cent. That simply reinforces my previous judgment. A wheat acreage reduction of 30 per cent is a staggering proposition for the farmers of western Canada to accept.

Dr. Parnell of the Department of Agriculture is reported as saying that half of the farmers of Canada will be out of business by 1980. This staggers the imagination. We are going to have to make this kind of adjustment because our export markets have shrunk. That is the reason for it.

Out of the GATT negotiations came a reduction of the tariff on soybean oil going to Japan. There was no reduction on rapeseed, and so we are at a disadvantage. Recently, I asked the minister why there was an increase in the tariff on refined oil going into the Australian market but no increase in the tariff on the soybean product. Why are we being discriminated against in this fashion? Are we less able to carry our part in the tough negotiations that take place?

Mr. Pepin: It takes two to tango.

Mr. Gleave: The minister says it takes two to tango. I agree, but why do we come out with this disadvantage? If we are going to operate with this disadvantage in the export markets of the world, the forecasts that have been made will become an unfortunate and desperate reality. The wiping out of capital investment on the prairies will have to be seen to be believed. There will be a drop in the standard of living of the people involved until such time as they can leave the prairies and relocate elsewhere.

If you want to see the Golden triangle area grow in Ontario, just continue with this trend. We helped it grow during the depression years, after sending our sons and daughters to the war. They stayed in this area as a result of the terrific wiping out of capital which occurred on the prairies from 1929 until the early forties. This is what we remember. I am sure that the real magnitude of this situation is understood and that is the only reason I rose to speak to members of this committee this afternoon.

• (4:10 p.m.)

We hear a lot of talk, and plenty of advice from the press, to the effect that the thing for us to do today is get into feed grain production. They refer rather glibly to 400 million bushels of feed grain to be exported some place overseas. If we were unable under

GATT negotiations to extend our wheat market, and if our actual exports of barley as a feed grain have dropped,—it has and you can check the figures in the Wheat Board report—how in the name of common sense can these people suggest we are going to put 400 million bushels of feed grain into the export market?

Perhaps we should drop the price of our feed grain, and we have done this. Anyone can read the Richardson weekly report of March 8 and see that we dropped the price of barley to $1.02. What happened immediately afterward? France undersold us, that's what happened. If there is anyone left, and apparently there are still some in Canada though not many in western Canada, who thinks we can grab the markets of the world by introducing fire sale prices he had better disabuse himself of that idea before it is too late. If we intend to launch ourselves on a program of this kind we had better think twice.

The Wheat Board has quoted a price of $1.02 per bushel for feed barley. This is 15 per cent to 20 per cent lower than it was a short time ago. How can we expect to sell this grain at a lower price? If we intend to do so, then this government will have to do the same as other governments overseas have done. It will have to say to the farmer, go ahead and produce barley; we will put it on the market and sell it for whatever we can get but we will guarantee a price level. That is the only way it can be done.

There is a minimum price or cost at which the farmer can actually produce barley. There is no magic formula any more. I grew up during the time when you could use hay-wire to fix farm machinery, and when people used to have a number of horses. We used to get up in the morning and round up saddle horses to do the work. This did not take much money. We cannot round up saddle horses any more to do farm work. Now, we fire up the tractors. We pay 25 cents per gallon to put fuel in the tank and $2 per gallon of oil. Either you ride the tractor yourself or you pay $1.50 or $1.75 per hour to someone to ride it for you.

That story is not much different from the one which applies generally to industry today. I do not mind repeating myself. We cannot save the grain industry of western Canada by putting on fire sale prices, and people who think we can had better disabuse themselves of that idea. I do not think the minister is one of those individuals. I suggest this in all sincerity, and with the hope that the minister will not accept this argument advanced by those people who hold this point of view.

If anyone wants statistics about the grain situation, let me quote a few. I should like to quote from statistics contained in the 1966-67 annual report of the Canadian Wheat Board. During the five year period from 1947-48 to 1951-52 we sold up to 73,458,000 bushels of barley, and in one crop year, 1956-57, we managed to sell 122,077,000 bushels of barley. In the crop year 1956-57 we sold almost 82 million bushels of barley. During approximately a ten year period, we managed to maintain this range of volume. In the crop year 1961-62, we dropped to approximately 42 million bushels. During the period from 1962-63 to 1966-67 we did not recover. We dropped as low as 15 million bushels which is a mere fraction of the 80 million bushel figure we ended up with in 1956-57. In 1966-67, we sold approximately 58 million bushels of barley. Surely, this is some indication to those who suggest we should cut the price that they should have second thoughts. This is a concrete example of what has taken place.

Our approach to this whole matter should be determined at the bargaining table. As the minister has suggested, it takes two to tango. We should learn some new steps. We hear two different stories about the agricultural situation. When the GATT negotiations were completed, it was announced that we hoped to export $1.5 billion a year in manufactured goods.

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Chairman: Is there general agreement that the hon. member carry on?

Some hon. Members: Agreed.

Mr. Jamieson: Change to the rhumba.

Mr. Gleave: Mr. Chairman, I think I have said most of what I want to say to the members of this committee. I hope the new department will be seized of the importance of the task we must undertake. I hope it will not accept the unsubstantiated assumption that we must put one third of our wheat land out of active production. I hope the new department will not accept the assumption that half of the farmers in Canada are going to be out of business by 1980. If this new department or this government accepts this assumption, this country is headed for some real disasters,

just as are the people in the constituency of Saskatoon-Biggar.

[*Translation*]

Mr. Ricard: Mr. Chairman, I should like to make a few remarks on the measure now before the house.

First of all, I wish to congratulate my colleague for Drummond (Mr. Pepin) to whom the destiny of the new department will be entrusted. He is undertaking a tremendous task and my best wishes go with him. This task will require his services, his devotion every day. It also requires talent, a lot of work, some boldness, firmness and also, alertness. And I know the minister has those qualities, the qualifications which will enable him to succeed and from which the Canadian industry will benefit.

Mr. Chairman, this leads me to say that the department the minister will head in the years to come is most important to the working people in my riding. The two fields in which the workers in my riding can expect improvement, provided the minister will turn his attention to them, are the footwear and the textile industries. This is not the first time I make it a point to discuss those two particular topics. But those two industries are so important to our people that I owe it to my electors to protect their interest every time the opportunity presents itself.

Not very long ago, specifically last February 18, I received a letter from the Quebec leader of the United Textile Workers of America, Mr. Bert Demers. When reading the letter, it is easy to see that the textile workers of my province are quite worried. I take a few minutes to discuss the matter again this afternoon to urge the minister to even greater haste. Here is an excerpt from the letter addressed to me by Mr. Bert Demers, and I quote:

• (4:20 p.m.)

> The closing down of factories in five so-called textile areas—due to a great extent to the abundance of textiles coming from countries where production costs are low—is certainly alarming to those who still have the good fortune of operating in this field.

In a brief accompanying the letter from Mr. Demers, one can read, for instance, that in 1954, imports under the heading "Textiles and ready-made clothing" amounted to 5 per cent of the consumption whereas in 1959, the imports had increased to 25 per cent, and in 1967 to 43 per cent. Needless to say, this hampers Canadian production and reduces employment.

In fact, this is what the brief says and I quote:

> In other words, from 6 million lbs. in 1954, the level of imports so-called "cheap" in view of their origin, skyrocketted to 46 million lbs. in 1959, 74 million lbs. in 1964 and 118 million lbs. in 1967.
>
> While this situation was developing here, elsewhere in Europe and in the United States, for instance, a rational policy was being implemented in order to restrict the ill-effects of such penetration of the world markets into their economies.
>
> If our Canadian parliament allows imports from developing countries increase little or no restrictions—our manpower requirements in the textile industry will decrease year after year.

This is a warning which the minister will certainly want to take into account. He will want also to ponder upon another part of the brief which reads as follows, and I quote:

> The problem is more than serious and it is time for concern. We cannot repeat it enough. Hundreds of workers in the textile industry, in Drummondville, Cowansville, Montmorency, Magog and several other regions, are being laid off. Some of them have been out of work for fifteen months. Some workers in Coaticook, Saint-Jean, St. Hyacinthe and Valleyfield are hit even more severely; what was their livelihood for many years, is disappearing.

The minister who has spent part of his life among working people and textile workers especially, knows fully well that when a worker has spent several years of his life in a textile mill, it is difficult for him to find work outside, in another factory. If these daring policies must be implemented, the workers, the present taxpayers deserve every attention.

I was talking during the last week-end with a worker who has been employed in a shirt factory in Saint-Hyacinthe for about 40 years. He is threatened to lose his job sooner or later if the present conditions persist. He provided me with data which he says are official and which give us an idea of imports from countries where the manufacturing cost is much inferior to ours. For example, during 1968 we have received from Taiwan 100,048 dozens of shirts, 58,720 from Malaysia, 18,000 from Singapore, 365,100 dozens from Japan, 57,000 dozens from Korea, and 217,000 from Hong Kong.

Mr. Chairman, those are the enormous quantities of shirts that enter the Canadian market. They create competition, which affects the Canadian workers.

I know that the minister must think a lot and work a lot. I know that the question of imports is giving him some trouble, but I know also that he means well. I am quite certain that he will do everything possible to

keep for our Canadian textile workers that part of the market to which they are entitled.

As Mr. Demers states in his letter, the main factor with regard to foreign competition is that it is done with much lower paid workers in under-developed countries.

But, even if it is our duty to help the under-developed countries, I believe our first obligation is to Canadians, and if measures that might upset the countries who wish to conquer our market are needed, we should not hesitate to take such measures.

I said, at the start, that the minister should display boldness, firmness and alertness. Everyone knows that some foreign exporters are not always as mindful and as respectful of the law as they should be. In many instances, my attention has been drawn to the fact that the name of the country of origin which should appear in letters as high as those of other words on the label is sometimes hard to read.

In spite of their good intentions, the public servants who are required to watch for this type of thing, often let them escape their notice. The minister should, I believe, since we are talking about the reorganization of a department, entrust a particular person with the task of doing away with unfair competition. It is in fact a violation of the law and no effort should be spared to ensure that the law is fully respected.

Our Canadian financiers should also be encouraged to do their share for the Canadian people. I have here a photostat of an article published in the December 1967 issue of the magazine *Men's Wear of Canada,* which states that Canadians and Americans invest money in countries with small income levels in order to manufacture garments with which the Canadian market is subsequently glutted.

I suggest that if those Canadian interests really wish their country to expand as it should, they should give up some profits and manage so that the profits which they want to make come from Canadian industries rather than from foreign ones.

Finally, I would also like to remind the minister that the shoe industry has been going through a most difficult period for a number of years. It is known that since 1963, a great many shoe manufacturers have closed down again because of the competition from countries with low production costs. I would indeed like to see the minister give also consideration to that matter; he would thus render a service to his constituents, to the workers of the province of Quebec and of the whole country.

• (4:30 p.m.)

Mr. Mongrain: Mr. Chairman, as I rise to speak, I feel somewhat reluctant and I will tell you a story to explain that feeling.

During the last electoral campaign, I had the pleasure to speak in the riding of the hon. member who was to become the Minister of Industry, Trade and Commerce, and I recall that at one moment—he was to speak after me—he got up. I admit that I had spoken too long and that I did not have to talk so long to convince the audience to vote for the Minister, as they already had so decided. Then, he said to the audience: Ladies and Gentlemen, when the hon. member for Trois-Rivières gets on his feet in the Commons, he always, or most of the time indicates that he did not plan to take part in the debate, but will try to be brief; then he uses up all the time allocated to him, if not more.

Of course, I remembered when I prepared my comments. Besides, the minister at the end of his speech last night, said this:

> Personally, I hope that the debate will be shorter than the one on the establishment of the Department of Communications.

Naturally, such a remark is likely to intimidate someone as shy as I am. Mr. Chairman, I want to assure the minister that I shall be brief.

However, the member for Saint-Hyacinthe (Mr. Ricard), with his usual good nature and politeness, has challenged me in a way and I must reply, only for his information or that of his colleagues who may not know what is going on.

I wish to say to the member for Trois-Rivières—I beg your pardon, I meant the member for Saint-Hyacinthe (Mr. Ricard) to whom I would never give up my riding—that several months ago, government members formed a kind of task force which looked into the problems experienced by the shoe industry and particularly textiles. The group was made up mainly of members in whose ridings there are textile industries. At the beginning, the group was worked on provincial basis. Today it is national, there are representatives of every province with a textile industry. We wanted to study the problem in depth, not only to rise in the house and tell the minister: There are too many imports, and this must

stop, because our textile industry is not doing too well. We tried to survey the industry to find out what is wrong and and to seek solutions.

In that regard, we have met experts of the departments concerned, and in particular the minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Finance (Mr. Benson) in order to discuss all the aspects of the matter—because there are many of them—and we are continuing to consider them.

We have been particularly pleased to discover, while doing that work, that officials of the Department of Industry, Trade and Commerce and of the Department of Finance have been carrying for several months an exhaustive, thorough and realistic study which will take into account every aspect of the problem.

I would like, for example, to ask the hon. member for Saint-Hyacinthe (Mr. Ricard) if among spinning factories and footwear manufactures which seems to be in jeopardy, there would not be a large number of them which are in a bad way due to weaknesses in their administration, because they have forgotten, for example, to follow the present business trend and make necessary investments to keep up-to-date.

I can quote, for example, a rather large textile plant of my area called the *Wabasso Cotton* which has some 2,200 or 2,300 regular employees in the Trois-Rivières area. It manufactures high-quality products, such as those sheets and pillow-cases which are so popular and are made in our district. It also manufactured material for dresses and several other purposes. This is an industry which had foreseen new business trends. For instance, synthetic products appeared on the market and consequently cotton was of course less and less in demand. That industry realized that exchanges are nevertheless necessary between Canada and other countries if we are to maintain our external trade. We must sacrifice a few things and avoid excessive protectionism. We must rather head toward freer trade if we truly want to encourage the development of our trade.

A few years ago, the Wabasso Cotton Company saw that this was in the offing. The directors of the company invested considerable amounts of money to renovate their plant and then started manufacturing new products. For instance, you can now find on the market an excellent synthetic product that really sells. Research has come up with no-iron sheets and pillow-cases, not to mention wash-and-wear shirts. Those people engage in all kinds of research.

Instead of experiencing the financial difficulties of others, that spinning mill now employs a great number of people and is blossoming forth. Of course, like everybody else, they could do without imported shirts from Hong Kong, Korea or elsewhere. It is obvious this may be an ideal situation in theory, but, from a practical standpoint, if you want to sell things to those countries, you have necessarily to buy things from them.

I was saying that a thorough study was carried on which the Department of Industry, Trade and Commerce, and the Department of Finance, in an attempt to set up reasonable quotas, not through coercion, but as a result of agreements, negotiations and discussions with those countries. According to the information at hand, and I can pass it on to my hon. friend on the other side of the house, because he must know—

Mr. Ricard: Mr. Speaker, I can say to the hon. member that up to now he has not tell me anything new.

Mr. Mongrain: I shall then go on in that connection—

Mr. Ricard: I know all that, Mr. Chairman. The hon. member does not have to repeat it.

Mr. Mongrain: Mr. Chairman, if the hon. member knows it, he does not seem to understand, since every time he rises, he blames the minister.

Mr. Ricard: I was not blaming him; I was asking him to co-operate.

Mr. Mongrain: It will then have to be repeated three times.

Moreover, these departments are attempting to find means to streamline only those undertakings which are unable by themselves to survive for all kinds of reasons. They have already found for some of them outlets not previously available. It is good to divulge such things so that the rest of Canada does not think that the government is not concerned with that problem and that it would be quite simple to say: Tomorrow morning we will put a stop to the importation of shirts and textile products, thus permitting our industries to flourish.

There is another problem which the hon. member for Saint-Hyacinthe could consider once in a while since, if I am right, he is

himself a union leader. Maybe he could support the request I have been making for three years now to the labour unions of the country. I am asking for a truce or a kind of moratory which would enable the government to stabilize prices. The worker and the wage-earner would be the first to benefit. In fact, union members are now asking their leaders to do more, because some of them seem to have lost all sense of responsibility. This does not help solve problems such as the one under discussion.

• (4:40 p.m.)

I have summed up what is going for the benefit of the hon. member for Saint-Hyacinthe, because he told me he knew—

Mr. Ricard: Mr. Chairman, I have not learned anything from the hon. member for Trois-Rivières that I did not know before.

Mr. Mongrain: Mr. Chairman, we shall have to tell him again probably for the fourth time, so that he will stop—

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

Mr. Mongrain: I shall be pleased to hear the hon. member's question.

Mr. Ricard: Mr. Chairman, would the hon. member for Trois-Rivières kindly explain to us why imports are ever increasing while our production keeps decreasing?

Mr. Mongrain: Mr. Chairman, as concerns the question of the hon. member for Saint-Hyacinthe, I know that the Minister of Industry, Trade and Commerce is getting ready to answer it. He will surely put forward many more arguments, statistics and facts than I could provide myself during the few remaining minutes at my disposal.

Mr. Ricard: That is exactly what I asked him to do.

Mr. Mongrain: The only difference between the Minister of Industry, Trade and Commerce and the hon. member for Saint-Hyacinthe is that the minister does not talk through his hat but waits until he has gathered all necessary information. He will have it presently. I am not enough in the government's confidence to set a date but I know that he will act soon. Then, the hon. member for Saint-Hyacinthe will obtain more statistics, facts and arguments than he wants.

[Mr. Mongrain.]

Mr. Ricard: Would the hon. member question the figures I have just given and which were given to me by the Textile Workers Union of America? Is this what the hon. member wants?

Mr. Mongrain: Mr. Chairman, I find that my hon. friend has not understood anything. I have spoken during 20 minutes and he has not understood me. He wants me to question some figures when I told him that we know there are imports. We also know there are many other related problems and that the solution is not as simple as the hon. member for Saint-Hyacinthe imagines.

Mr. Ricard: Mr. Chairman, I have not suggested any solution, I merely asked for the co-operation of the minister.

Mr. Mongrain: Mr. Chairman, I feel I am losing my time trying to win the hon. member for Saint-Hyacinthe over to my cause. Then, I shall speak for those who want to understand, because there are none so deaf as those that will not hear.

I hasten to pass on to the second matter I want to deal with this afternoon: tourism. I was very happy to read the statement made last night by the Minister of Industry and Trade and Commerce (Mr. Pepin), as reported in *Hansard*, on page 6493, and I quote:

> I should like to say a few words on tourism, for which the new department will also be responsible and which earns $1 billion a year for our balance of payments.

This is one of the most readily profitable industries that could be promoted in Canada. Like many others, I am most happy to see that the minister is concerned with this aspect of the Canadian industry.

I go on reading:

> The intended departmental approach to the development of our tourist industries and the expansion of Canadian income from tourism also reflects an integrated approach, although these activities are to be identified as a separate program within the new department.
>
> The Office of Tourism will comprise, first, the Canadian Government Travel Bureau, the promotional arm with particular responsibilities for attracting visitors to Canada. It has 24 offices abroad. The Office of Tourism will also comprise a branch devoted to the study of our domestic travel industry and its needs for growth and development to meet the requirements of the highly competitive international travel market; all this, of course, in the closest possible co-operation with the industry, the provinces and other federal departments whose activities are relevant to the development of the tourist attractions and facilities of Canada. Here again, the international and the domestic will be closely matched, closely linked.

As far as I am concerned, I am very happy to hear the minister explain to us those projects which are realistic and advantageous for the development of this segment of an industry which, incidentally, interests my constituency. As I have myself been involved for several years in touristic promotion, I would like to suggest to the minister that in his relations with the provinces, particularly with Quebec, he should try to establish a system which would enable regional touristic promotion organizations to increase the number of touristic centres. They exist in many areas, but they have not been developed as they should because municipalities do not have the necessary funds.

The minister will appreciate—because I am sure he has visited the sites—that there are in the area of Trois-Rivières remains of the first ironworks in Canada, the old smithery of St. Maurice, known also as St. Michel des Forges and which is now part of the city of Trois-Rivières.

This is a touristic, archeological and historical treasure which is undeveloped. We have the plans of that old forge, the foundations of which still exist. All sorts of historical objects are found there, but nothing is done about that, Mr. Chairman. I know that the federal government has already done something in that direction. I know also that the national parks branch especially is well-disposed about that, but it would probably need the co-operation of the Department of Industry, Trade and Commerce. It seems that there is a misunderstanding on the constitutional aspects of the problem, because some Quebec ministers argue that the central government should not interfere in such matters.

The situation is disastrous and I am sure that men of goodwill could find a way to revalorize an industry which, after all, is unique and which would be an attraction for the great number of Americans and Europeans who are anxious to visit this reconstruction of the first ironworks in Canada. I am told that the iron-smelting industry of the United States has been approached and would be ready to contribute substantial amounts to the restoration of that old forge of St. Maurice. That did not materialize but I am sure that the minister, with all his lucidity and all his diplomacy, might be successful in convincing the Quebec authorities to co-operate with the federal and municipal governments in order to multiply the touristic centres, which would give to the organizations involved in promoting tourism in their region, the necessary means for efficient and effective action, so that the money and the work devoted by his department to promote the tourist industry will create a spirit of co-operation at every level of government.

I would like to end my remarks by congratulating the minister on his appointment as head of this important department. I would also like to tell him that we of the province of Quebec in particular, are proud to see him accede to this office and to see that he is doing his job so well. I wish him good luck in his new duties.

• (4:50 p.m.)

Mr. Gauthier: Mr. Chairman, I should also like to say a few words on the third part of the bill before us, which deals with industry, which obviously comes under the new department of Industry, Trade and Commerce.

However, before I begin, Mr. Chairman, I should like to draw the attention of the house on a rather unpleasant experience for our party this afternoon. The hon. member for Compton (Mr. Latulippe) was speaking, and when he asked for two extra minutes to conclude his speech, some government members refused. I thought it was ill-mannered of them and was inclined to give them tit for tat, but I controlled myself, and we willingly granted extra time to those who needed a minute or two to conclude their speech. I shall say no more, because I know you could call me to order on that point, and it would not be the first time it was done at the expense of our party, Mr. Chairman.

I want to congratulate the minister of Industry, Trade and Commerce (Mr. Pepin), who will be recognized as the minister responsible for that Department, and I extend to him my best wishes for success at the head of that Department.

We say, that this is a new Department, but we do not have to go back very far to find reservations. In fact, the minister himself said, and I quote:

> The amalgamation of the Departments of Trade and Commerce and of Industry plays a very important role in the present reorganization of the federal government, the third since 1963—

I do not consider this department as something new, but rather as a step backward, because there already has been such a department.

I think it was the Right Hon. Lester B. Pearson who divided this department, and no doubt it was realized that it was a mistake. I always wondered why this was done. Industry and Commerce are two complementary

sectors which must necessarily be integrated to form a whole. This has been demonstrated many times, when for instance we had discussions with industrialists about marketing their production and we had to run from one department to another.

I think that this department will be a bonanza for all producers, and businessmen as well as for the whole population.

Even if we are in favour of establishing this department, there are some points I want to bring to the minister's attention.

The minister made this statement and I quote from *Hansard*, page 6492:

> I feel honoured and challenged by the mandate given me to bring together the qualities and capabilities of the present Departments of Industry and Trade and Commerce and to forge for the future the kind of strong, forward-looking ministry.

I second the minister in that institution but I wonder about the gifted and competent people he will have to bring together. I am trying to find out who will run to show in that department, and I see on page 6493 of *Hansard* that his first assistant deputy minister is Mr. Kniewasser, the second Mr. Head, the third Mr. Mundy, the fourth Mr. Schwarzmann, and the fifth Mr. Warren. The minister went on to say:

> Mr. Chairman, I could go on enumerating... responsibilities but I will refrain from it.

I should have liked him to tell us when there might be a French Canadian in a key position.

Mr. Pepin: It would have been the next name: Mr. Sénécal.

Mr. Gauthier: The next one? I am glad to hear it, because that had me a bit worried. I could not believe that the minister could make such a mistake.

In fact, we should not have forgiven him for it. We are always happy to see a French Canadian filling a ministerial post. The same thing applies when French Canadian people become top officials. It is so much pleasanter for us to be able to speak our own language in official dealings.

Unfortunately, there are still some offices where we find it very difficult to do so; sometimes a young secretary has to act as an interpreter. And they say that bilingualism is extolled in the civil service. It is a strange kind of bilingualism indeed, and I want to draw the minister's attention to that point. I know he is capable of keeping an eye on that aspect of things. I wish all ministers would do

the same, so that the government might really become bilingual. First senior officials should become bilingual, to enable all members to contact them in their mother tongue.

English speaking people like to be able to express themselves in their own language in any department. That is all we want; we do not ask for special privileges; give us what they have and no more. We want to be able to speak French in every department. Although we get by in English French is our tongue and this is a fact which is recognized today by the government. The point is that it must not be forgotten in the books, we must not let this legislation gather dust and the French language and bilingualism ought to be promoted. I know that senior officials are qualified to hold such and such position. However another condition is required: they must also be bilingual. Let them learn French. We had to learn it. To come to Canada, people had to learn English. If they are in the public service, let them learn French because they will have to deal with French Canadian people who also like to preserve and to speak their own tongue.

I just wanted to call the minister's attention on that point.

I heard the hon. member for Saint-Hyacinthe (Mr. Ricard) put earlier a question to the hon. member for Trois-Rivières (Mr. Mongrain. This is what he said: How come production is decreasing? Production decreases while imports increase in Canada. Why? The answer is simple. I still wonder why the hon. member for Saint-Hyacinthe asked that question and why the hon. member for Trois-Rivières was unable to give him an answer. It is because the industries do not get the assistance which they need; there is always—

Mr. Mongrain: Mr. Chairman, I rise on a question of privilege.

As a rule, my hon. friend has regard for the facts. In this case, he says that the hon. member for Trois-Rivières was unable to answer. This is not correct. The hon. member for Trois-Rivières decided to mind his own business; he said that the minister was in the process of setting up a study and that the answer would come from him.

I could have given it, Mr. Chairman, but I would have committed an indiscretion.

Mr. Gauthier: I was just going to say it, Mr. Chairman. The hon. member always puts the blame on somebody else. What do we find today? We find that essential assistance—I am

not referring to loans, but to financial assistance—goes to the big industry; everything is sacrified to it. It is exempted from billions of dollars in tax for so-called investments, that are not always adequately made in the small industry. The latter is being taxed, and prevented from surviving.

Small industries are in jeopardy nowadays. Many of them go bankrupt. Why? Because they do not get enough assistance. I wish to draw more especially the minister's attention to this. I know he is aware of this problem but I believe he does not know about the difficulties the small industry in our area must face every day.

I am not saying that in order to launch a war, but merely to draw the attention of the minister, because it is awful to see our small and average industries collapse when they could be viable. Why? Because they did not get the necessary assistance from the government. We can see the proof of that every day. I am not against big industry, no, I am very happy that it should get benefits, but let us give the same benefits to the small industry. Do the hon. members know the estimated value of the Alcan plant in Arvida? That firm just reinvested $14,400,000. I am very happy about that for the people in our area. That industry will get a fine gift of $1,500,000 because they are investing there. Why should we not make similar gifts to the small industries who are investing also? But no. They even have trouble getting loans.

Here is an example. A small industry with a $250,000 asset succeeded in getting a small loan from the Industrial Development Bank after having applied to all chartered banks. It needed a little money, since it had accumulated too much stock. The Industrial Development Bank lent him $25,000—10 per cent of his capitalization—at 9 per cent interest. Is this the way to help a man?

• (5:00 p.m.)

I shall not name all those who would have needed loans in underdeveloped areas since they did not get anything. Our area was a designated one. Our most common industry is lumber. I could mention some industrialists who have tried to get loans similar to those granted to the big industries in underdeveloped areas, but they did not succeed. I could mention one who managed by himself and with the help of his friends and by accumulating small amounts. But how long can that last? Perhaps within two, three or four years, he will have to give up everything because he does not get any help. We direct all our capital towards the big industries which really do not need it and are strong enough to be self-sufficient, while it is the small industries that really employ the most people. If we came to the assistance of these small industries, if we enabled them to live and to produce something, we would stop importing.

In my area, we do not get in 40 per cent of the garden products we need. Why? Because farmers get no assistance whatsoever. I am very glad that these two departments are being joined together, because whenever surpluses had to be disposed of we were always sent from the Department of Industry to the Department of Trade and vice versa. From now on, we will deal with the same minister. We will then be able to have him sit down and to tell him: Hold on, we are going to try and solve our problem.

In my area, for instance, we used to have to wait almost a year before the surpluses of milk powder were marketed, and the manufacturer had no more space to store his product, while the Minister of Trade and Commerce was travelling across the country in order to sell wheat. I am not against selling wheat. In fact, I used to say to the former minister (Mr. Winters): Just go on a ten-day trip, once a year, and try to sell dairy products. You go around 365 days a year trying to sell wheat. I do agree that selling wheat is a must but he should also have concerned himself with our surpluses. That is the point on which I want to draw the present minister's attention. It is all very well to produce but what about selling the product? If we do not manage that turnover, we cannot increase production. It is simply impossible. The minister should bear this in mind, from the very start.

If the minister could make up his mind today that he is going to give priority to the average-size industry, he may be sure that his department would work like a charm, in the province of Quebec and across Canada as well.

If we go on forgetting about the small industry, we shall have a smaller number of rich people and a greater number of poor ones. Whether you be a businessman, a worker, or a consumer, the best answer to unemployment is to boost the small industry, instead of driving our farmers away from the land, as inspectors are doing now with their farm loans. They say: Leave the farm, you

will enjoy a better life in town. No sir! Today they are leaving for the city but within five or six years, willy nilly they will come back to the land as it happened in the 30's. Nobody seems to realize this. Apparently, the officials are taking it easy and never go and see for themselves in those areas.

May I suggest to the minister to do as they do in China and send his officials, in turn, on some farm for a while to learn the ropes. He will see how much that experience will teach them. Let him send some to our logging camps for a whole winter; let them work like the others. You will see that when they come back to the office they will pull up their sleeves and say: No more Pepsi; let's get to work.

Mr. Chairman, those are the main remarks I wanted to make for the benefit of the minister. I am sure that at long last we have a minister from the East heading the Department of Agriculture. We are no longer to be pitied. Indeed, it is 61 years since we have had a French Canadian from the East as Minister of Agriculture. Now, we have one and we will go to him for help and urge him on too. I am very happy because he is a good worker—no mental reservation here—and if we go up to him with plans, if he is given a job to do, he will apply himself to make a success of them. If the bureaucrats refuse to go along, I know he will take the whip to them, and get them back on the job.

[*English*]

Mr. Southam: Mr. Chairman, this afternoon we have been discussing item 57 on the order paper, committee of the whole on Bill C-173, an act respecting the organization of the government of Canada and matters relating or incidental thereto. I have been waiting for a considerable time to place my views on the record about the serious situation in western Canada today, the causes of it and how it affects the marketing of our wheat. Although land is urgently wanted everywhere, in western Canada we have plenty of land for farming. You might say we have "wanted land" in plenty. That is a strange paradox but nevertheless is true. I have done some research to try and find the cause of this situation in order to place the facts on record. At the risk of repeating, I would remind this house of the seriousness of the situation which exists.

[Mr. Gauthier.]

• (5:10 p.m.)

Canadian wheat producers wonder if this government has any conception of how serious the situation is, or how to go about solving the problem of marketing Canada's huge stocks of grain. The facts of the matter, as I understand them, are that the tremendous upheaval in the international wheat market produced by events of the past two years has changed things to the point where only a radical change in Canada's whole approach to wheat pricing and marketing will be adequate to meet the new circumstances.

In the period between the death of the old international wheat agreement on July 31, 1967 and the coming into force of the new international grain arrangement on July 1 of last year there was, for the first time in years, a free world market in wheat. This free market not only opened the door to dumping, price-cutting and cut-throat competition, but it disrupted the established pattern of exporting and importing and spurred importing nations to take fresh stock of their position. The result was that when the new international agreement came into force last summer, the old trading pattern to which it was to apply had been drastically altered. In addition, thanks to circumstances with which I intend to deal shortly, the new international arrangement was an imperfect instrument even in the old context.

The new world wheat picture includes traditional Canadian markets that are either gone or greatly diminished and others that are open to stiff competition from newcomers. Technological advances and changes in national tastes have completely altered the buying pattern of many importing nations. They no longer seek the same quantitites or grades of wheat as they did two years ago.

Most importing nations have made great strides in developing their own agricultural industry to supply more of their grain needs. India has already stated she intends to be self-sufficient so far as wheat is concerned in three years. Many European countries have drastically altered their requirements. Some exporting nations have already adopted more flexible methods of marketing and pricing to meet the demands of the changed world market. Canada, so far, has stood firm on the basis of her high quality wheat and, as far as the importers are concerned, on the high minimums set under the new international arrangement. The result has been lost sales, exports reduced to a trickle and a bleak outlook for the immediate future.

To meet this crisis in Canadian agriculture, the best this government has been able to suggest has been a vague promise to study wheat marketing some time in the future and to set up a national grains council. That council has alread been set up. We, in western Canada, hope this council will find new approaches to this problem. I do not like to be pessimistic. I like to look at the positive side. We are looking forward to some action which may solve some problems which face us. Both ideas are sound enough but totally inadequate to meet the pressing situation. They are long term measures to meet an immediate crisis.

On September 23, the London *Free Press* carried a report of wheat and flour exports for the first 11 months of the crop year ending July 31. According to the Dominion Bureau of Statistics, these were down a staggering 40 per cent! This is 16 per cent below the Canadian 10 year average for wheat and flour exports of 346,100,000 bushels. The 1966-67 exports totalled 479,300,000 bushels. This year the figure is 291,800,000 bushels. That is a dramatic example of what one year of a free world market in wheat could do to Canada's wheat export trade.

The Canadian government naïvely believed the old scale of minimum prices set out under the defunct international wheat agreement of 1962 would be observed by exporting and importing nations. It was not written down. No one had signed anything. But it was "understood" according to the former Minister of Trade and Commerce, who is no longer a member of this house. He called it "a gentleman's agreement" but the trouble was some nations did not subscribe to the gentleman's code. We are now back under an international agreement and not doing much better.

The October issue of *Union Farmer* described the new agreement as "shaky". The Winnipeg *Free Press* stated "how effective it will be remains to be seen". The faltering operations were discussed several months ago by five of the leading exporting nations at Canberra. On October 7, the 16 nation price review committee, including both exporting and importing nations, met in London to try to patch up weaknesses in the agreement and restore some stability to the international wheat market.

Two of the chief failings of the new international grains arrangement are that, while it set higher minimum prices for some grades, it left other grades outside the price schedule and left the door open to price cutting through the use of freight rates and other shipping costs as concessions. It was a poor agreement and could not be put in the same category as the one it replaced.

The main point I wish to discuss, Mr. Chairman, is the manner in which Canada got sucked in during negotiations of the new grain agreement as a part of the Kennedy round tariff agreements reached at Geneva. Briefly, I believe it was the failure of our negotiators to correctly assess the situation at Geneva, and Canada's relationship to other signatories to the international wheat agreement, that led us part way toward our present situation. Further, I believe it was the emphasis placed on international tariff concessions which would benefit the commercial and industrial sector of the Canadian economy that led to Canadian agriculture being victimized. It is now obvious the former Minister of Trade and Commerce went, or sent his spokesmen, to Geneva primarily in the interests of eastern industry. The Canadian wheat producer was regarded as expendable. Let us look at the background.

The old international wheat agreement, the fifth such agreement, was in effect from 1962 until July 31, 1967. Under that agreement exports were priced between $1.625 and $2.025, United States funds, and imports were allotted and subscribed to. In late 1966, a crusade headed by the former minister of trade and commerce was started in order to gain a higher minimum price under a new and revitalized international agreement. Meanwhile, however, the so-called Kennedy round of tariff negotiations got under way at Geneva.

Mr. Pepin: This is old, talk about today.

Mr. Southam: Canada was "conned" or manoeuvred into accepting the idea of a general cereals agreement under the umbrella of the Kennedy round instead of a separate international wheat agreement. I believe the minister went along with the aim of a cereals agreement, not to help the grain producer, but in the hope that he would get industrial tariff concessions if he were agreeable.

It has since become abundantly clear that some countries, including formerly close allies among the other exporting nations, wanted access for their feed grains to the European Common Market more than they wanted a higher and stable world price for wheat. Hence, they wanted the general cereals agreement instead of a new international wheat agreement. The result was that Canada voted with the bare majority within the International Wheat Council in April of 1967 that

scrapped the old I.W.A. in favour of a new instrument to be agreed upon later.

• (5:20 p.m.)

Nations who were signatories to the old I.W.A. were morally bound to observe its old price structure until such time as a new international agreement came into force. This meant that Canada, among other exporting nations, was going to be floating around in the first free market in wheat for 20 years, until such an agreement was concluded. The signatories to the old agreement were protected only by the moral obligation to observe the old pricing system, but no legal protection was available. At Geneva agreement was not reached on a general cereals arrangement. The best that could be done was a grain agreement to come into force on July 1, 1968, under which a minimum price for wheat would be set at $1.75 per bushel, U.S. hard winter wheat at Gulf of Mexico ports. This was equivalent to $1.95 No. 1 Northern at the Lakehead. The maximum price was to be $2.38½ on the same basis. The finally agreed price just happened to be a full 11 cents below Canada's bargaining price at Geneva.

It was understood that the exporting and importing nations would meet to decide the details of the new agreement. Some 52 nations met at Rome on July 12, 1967, to discuss a draft agreement along the lines of the decisions taken at Geneva. They met in the belief that the prices set out under the old I.W.A. would prevail by "gentleman's agreement" in the interim. But on July 13, the day after the conference opened, United States exporters broke through the old floor price with sales abroad. This effectively killed the myth of a gentleman's agreement as protection for the Canadian wheat producer.

There can be little doubt that Canada's negotiators were willing to sacrifice the tried and true pattern of the old international wheat agreements for a new system, and to leave Canadian wheat producers exposed to the perils of a free world market for a year in order to try to get more highly prized benefits for industry in other areas of the Kennedy round negotiations. It was claimed that there was nothing to fear from a period of free market—the world market was a seller's market, the old prices would remain in force under a gentleman's agreement, and Canada would reap great benefits in other areas of the economy. In fact the gentleman's agreement was no protection and the supposed seller's market quickly transformed itself into a buyer's market, a condition in which it has remained ever since.

Whatever benefits were wrung from the Kennedy round negotiations for Canadian industry were dearly paid for by Canadian wheat producers. Before the new agreement was even formulated the law of the jungle had returned to the world wheat market. Within five months, Canadian wheat was being sold 22 cents below the old prevailing price, resulting in a subsidy having to be paid by the taxpayers of Canada.

Last year the United States Secretary of Agriculture announced a target for wheat exports of 750 million bushels. He has recently announced the same or a higher target for this year. Last year's United States sales were the result of substantial price reductions. If the same amount is to be sold abroad this year, a year of glut and surplus, some way will have to be found effectively to reduce costs to the importer.

We all know that the disastrous plunge into a free market cost the Canadian taxpayer millions of dollars in subsidies necessary to protect a minimum price that was already supposed to be protected by a gentleman's agreement. It was the minister's only way out at the time. Before he introduced the subsidy, made necessary by his own blundering in tariff negotiations, he went to Washington to plead the gentleman's agreement. The *Globe and Mail* of September 16, 1967, summed up the success of this mission in an editorial headed "No Gentlemen Present."

Back last January the International Wheat Council predicted that wheat exports would again decline and that Canada would be the hardest hit of all exporting nations, a statement borne out by the latest D.B.S. export figures. But from the first days of the free world market in wheat right up to the present day when storage facilities are bulging with unsold wheat, old markets have gone and the picture is at its blackest and most confused. This government, in effect the same one as was in office previously, has not done one, single constructive thing to relieve the situation. We have had a succession of ministers of agriculture and of trade and commerce, but no action. The present picture is one of lower prices, tougher competition, lost markets, reduced exports and general uncertainty.

How did Canada get into this spot? What was our failure? Where did we go wrong? To answer those questions I believe we have to look at Canada's attitude at Geneva, at London and at Rome in 1966 and 1967. It is my

belief that Canada went wrong right from the start in London when, at meetings of the Wheat Council she agreed, indeed voted for abandoning the old 5th World Wheat Agreement. At that time Canada should have insisted on the old agreement remaining in force until a new one was signed and operative or, failing that, should have pressed for conclusion of a 6th World Wheat Agreement, separate and distinct from any part of the Kennedy round agreements.

One of the best and most revealing pieces of reporting on the whole affair was done by Andrew Knight of London's authoritative *Economist* writing in *Executive* magazine of July, 1967. He accused the Canadian delegation of playing at brinkmanship in the wrong way and at the wrong time. He quoted a British spokesman at Geneva as saying "The 'Cans' are away playing brinkmen" as an explanation of the absence of the Canadian team at an important meeting.

Summing up the Kennedy round, Knight wrote:

—it was an achievement founded on sacrificing some of the grandest aims originally envisaged in the early days of the Kennedy round. The largest of these was the loss of a comprehensive cereals agreement.

This comprehensive cereals agreement was the card upon which Canada's negotiators had staked everything. Mr. Knight continued:

Over its head, Canada therefore found its main single reason for being at Geneva at all, whisked away. The six European Common Market countries and Britain fell in with America, and the Canadians were left high and dry.

I do not expect the present government, or the old or new ministers, to agree with Mr. Knight's assessment. But he was there simply as an unbiased and objective reporter. Just listen to one more observation that he made:

The plain facts seem to show that the Canadian delegation at Geneva played its cards badly in an extremely expensive game of poker. In the eyes of the urbane negotiators of the major grain importing countries—the Six, Britain, Japan—Canadian brinkmanship simply was not relevant to the crowd of technical disagreements to be cleared up if a comprehensive world cereals agreement was to survive.

And later:

—this was one sector of the Kennedy Round not suitable to poker tactics.

Mr. Knight wrote of the "intransigence," "brinkmanship" and "unreal claims" of Australia and Canada that had an unhappy effect in Geneva and forced both to give way in the end. He referred to the "fatal split of opinion" between the United States on the one hand and Canada, Australia and Argentina on the other. The United States, he claimed, was more interested in feed grain sales to the Common Market and bulk sales than in higher prices. This fatal split was soon exploited by the importers, Britain, Japan and the Six. From all evidence it is still being exploited today to the importers' advantage and the detriment of Canada.

Mr. Knight's view is not an isolated one or simply that of a European. The Winnipeg *Tribune* of January 17, 1968, noted:

It is unfortunately becoming clear that Canadian negotiators at Geneva last year, who professed not to be disturbed by the termination of the International Wheat Agreement, were badly misled.

The newspaper also noted that "there is little use in bemoaning the facts of life." With this I am in entire agreement. We must face the facts of life as they are today, the facts of life as they are in the world wheat market of today, not as they were or might have been.

What are the facts? Let us look only at one or two recent reports on wheat as they appear each Saturday in the Winnipeg *Free Press* under the heading, "Grain in Review." On September 28 last, the opening paragraph of the report read:

New export sales of wheat this week were again non-existent and some of our major customers of the past simply think that our prices are too high.

On October 5 last, the opening paragraph read:

This has been another disappointing week as far as export sales of wheat are concerned as importers are showing little interest currently in entering into commitments.

What about supplies? What about the crop? Despite adverse weather conditions and other factors, the Dominion Bureau of Statistics on September 15 last estimated the 1968 crop would be 627,927,000 bushels, 6 per cent above the previous year and 16 per cent above the ten year average. Of course in the interval we have had the problems of wet grain and of the movement of grain. I am not going to mention them now because I am sure the minister has heard enough about them, but in the last several months these problems can be said to have had their effect on the general economy of the country.

The United States Department of Agriculture recently estimated that world supplies of wheat would be about double the probable sales. These figures give us some conception of the magnitude of our problem. We are long on wheat and short on customers. This situation cannot await long and cumbersome discussions relating to the setting up of yet

another governmental body to be charged with solving the wheat problem. We are in no position, and the hard pressed Canadian wheat producer is in no position either, to await more long range studies, reports from task forces and all the other clap-trap of modern Liberal governments. We need action quickly. We need action now. Let's not talk about fiddling while Rome burns, let us look at this government.

• (5:30 p.m.)

Japan is a traditional Canadian market for wheat. Last year Japan replaced Great Britain as the biggest commercial importer of wheat in the world.

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

Mr. Southam: I have only a few more remarks.

The Deputy Chairman: Does the hon. member have the unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Southam: Thank you, Mr. Chairman and members of the committee.

Last year Japan replaced Great Britain as the biggest commercial importer of wheat in the world. As of last March 31 Japan had bought abroad 4.2 million tons of wheat. Last year Canada enjoyed 30.4 per cent of that huge market. The United States had 55.8 per cent and Australia had 13.8 per cent. But today both France and Argentina have cut themselves a big slice of the Japanese market. There are now five sellers where there used to be three. They used to be frozen out, but now they are in strong. It is plain they did this by price cutting, but the fact remains that they did it. They made sales and we did not.

It looks as though the two newcomers are in the Japanese wheat market to stay. The Japanese want it that way. They have adopted a national policy of acquiring a diversity of overseas suppliers, not only in respect of wheat but in respect of other products such as minerals and other raw materials. The Japanese have learned in recent years that they can get the best wheat for the best price if they shop for it. Canada's old, steady and easy markets are gone forever. That is the single most important fact of today's world of wheat.

[Mr. Southam.]

We are living in a world that has changed from 1966. The market has changed; tastes abroad have changed and the demands of old customers have changed. Unless we get with this change we will be left at the post. My suggestion to the Prime Minister and to the Ministers of Agriculture and Industry, Trade and Commerce is to treat this as an emergency. They should convene a special meeting to consider appropriate measures, whether they be subsidies, price-cutting, more generous credit terms or a combination of all these possible expedients. The vital thing is fast and decisive action.

I have no doubt from the way the minister of Industry, Trade and Commerce spoke a few weeks ago that he hopes to dazzle the house one day soon with an announcement of foreign sales of wheat. The Canadian wheat producer is not interested in any flash in the pan sale but in an assurance that major hurdles to marketing have been overcome.

Reference has been made recently to the fact that the task force has suggested, as one alternative to the overproduction of grain, that we eliminate $33\frac{1}{3}$ per cent or about $\frac{1}{3}$ of our wheat acreage in western Canada. This would amount to something like 10 million acres. I do not have to ask many questions or make many remarks to precipitate in the minds of hon. members the question as to what will be the alternative income of farmers in western Canada if we eliminate 10 million acres of wheat producing land in western Canada. I hope this is not going to be the policy of the government.

The other alternative suggested is that farmers get into feed grain production. We have a surplus of feed grain at the present time. If everyone got into the production of feed grain I wonder what would happen to that market. The wheat producers want assurance of massive and continuing sales in order that they will have some measure of stability and prosperity. If there is not some evidence that Canada has modernized her wheat marketing techniques, the Canadian wheat producer will be driven from the field and a large and valuable part of the Canadian economy will have been irretrievably damaged. Let us have more action and fewer promises from the government.

[*Translation*]

Mr. Pepin: Mr. Chairman, unfortunately I shall speak for only a few minutes because I am told that the house would like to pass this evening that section of the bill that deals with

the establishment of a Department of Supply and Services.

I shall therefore comment briefly on some of the remarks made by my hon. colleagues. First of all, the members from Prince Edward-Hastings and Waterloo (Messrs. Hees and Saltsman) seem to hold diametrically opposed stands. The hon. member for Prince Edward-Hastings claims that the Department of Industry should never have existed, that it represented a total loss of $50 million.

On the other hand, the hon. member for Waterloo tells us that the Department of Industry should continue to exist as an independent department, because as separate from the Department of Trade and Commerce it is in a better position to contribute to industrial development. Contrary to the hon. member for Prince Edward-Hastings, he blames us for not having spent enough in that field.

The two members therefore give the impression of being diametrically opposed to each other, but they are not, for they both ignore the same things. They ignore what the Department of Industry did since 1963—and this applies particularly to the hon. member for Prince Edward-Hastings—and what it will continue to do. This applies also to the hon. member for Waterloo. It will do more, and better, because of the fact of its coexistence, of its amalgamation with the Department of Trade and Commerce.

Therefore, although seemingly opposed, in fact the two hon. members have a point in common in that they ignore the same things.

I wish I had more time to point out today once more what the Department of Agriculture has done since 1963, recall the programs it enacted, and their carrying into effect but obviously my time is running short. However, I want to point out two factors, two things that the Department of Industry has accomplished: First, that Department has acquired an excellent knowledge of the existing Canadian industry, and has compiled data on each industrial sector.

Studies were made—some were mentioned earlier—on the chemical industry, the dairy industry, and so forth, and these studies are now the extremely useful source of data for government policy making.

I would also like to say a few words about the importance of co-operation between federal departments and industry, and in this respect also the Department of Industry has done a great deal, as I said yesterday, to strengthen co-operation between the government and industrial sectors.

There are for example, in various fields such as textiles, footwear, chemicals, plastics, etc., advisory committees which meet regularly and analyse the different situations. Once again, they represent an excellent source of information for the government.

I took part in a certain number of these meetings. One could gain some fringe benefits from those meetings. Very often, representatives of the private sector who attended the meetings had the chance of meeting one another, an opportunity which apparently they seldom had.

And very often, at a meeting with representatives of the government, the industrialists themselves would profit from these meetings. I could also talk of the new advisory committee which met recently. I could talk of the export committees, about sixty in number, which exist today. My objective would be to show the contribution the Department of Industry in bringing closer together the government and industrial sectors, one of its greatest achievements.

• (5:40 p.m.)

[*English*]

The hon. member for Burnaby-Seymour gave us a few items of his good philosophy. He told us about the tremendous potentiality of the west. I am aware of that potentiality having been the minister responsible for things like oil, gas, coal and water in my previous capacity, and as the minister now responsible for wheat I am very much aware of the tremendous importance of the western economy in our national economy. He told us about the need for freer trade with the United States in particular. I would like the hon. member to read tomorrow the following quotation from my notes: "The United States agreed—this is under the Kennedy round—to significantly reduce tariffs on more than $2 billion of Canadian exports in 1966 terms. The bulk of Canadian exports of foodstuffs and industrial materials to the United States will face very low tariffs or free entry. When the final reductions are made, over 60 per cent of our total current sales to the United States will be duty free."

That will be of comfort to the hon. member.

Some hon. Members: Hear, hear.

Mr. Pepin: This tremendous B.C. aggressiveness and intelligence will have ample occasion to demonstrate itself on U.S. markets,

California included. The hon. member also made the suggestion that we should very soon send a mission to the Pacific rim. I am looking into that. But as a "cash advance payment" I might use this occasion to say that I will be going to some countries of the Pacific after the Japan-Canada ministerial meeting in April. I suppose that a two-man mission, my deputy minister is also coming, is not as good as the kind of mission the hon. member for Burnaby-Seymour had in mind, but this should be an indication of our interest in the Pacific as a trading area.

I had some intelligent comment to make at this point on the fact that it is very difficult for the Canadian government, in answering the numerous requests that are made on it, to establish priorities in trade matters. The moment somebody says that Latin-America is very important and the government agrees that a mission be sent there, somebody else mentions the tremendous importance of the Pacific rim and we all agree that we could send a mission there too. Somebody the other day was telling me that Germany is so tremendously rich that obviously we should have a mission there. The West Indies are very important also for us, and we should not neglect Europe or the United Kingdom which is still a very important market. And eastern Europe is also very, very important. China, obviously, is extremely important, and Russia should not be neglected either. Consequently, where do we go first? I think the conclusion might now be drawn that Canada is one of those countries which has an interest all over the world and consequently should be present everywhere. This does not solve the question of establishing priorities.

[*Translation*]

The hon. member for Saint-Hyacinthe (Mr. Ricard) and the hon. member for Trois-Rivières (Mr. Mongrain) said most interesting things about the textile industry. I can confirm that the study referred to is going on at present. It is an attempt to identify the sectors of the textile industry that are profitable, quite so, in order to promote their further growth and make them even more profitable. The study is also designed, unfortunately, to identify a number of sectors that are less profitable, and then, this is the problem: what are we to do with those sectors?

As far as I am concerned, I find the industrial readjustment principle contained in the automobile agreement and contained as well in the Kennedy Round agreements extremely sensible and human. The purpose of that study is precisely to determine whether it is possible to think in those terms also with regard to the less profitable sectors of the textile industry.

I hesitate to deal with those matters, because there are so many things to be said. The hon. member for Trois-Rivières mentioned a number of them in reply to the hon. member for Saint-Hyacinthe who had assumed that I knew all about it. One of the things that should be said is that even though governments are quite willing to take a human attitude toward the problems of industries, it might be detrimental to them to maintain plants and industries unable to survive and to prosper. Very often, it is a bad service to render an unsound industry to give it millions of dollars in order to deteriorate further or more decently, when we know full well that any day, it will have to close down and that other factors than imports play a very important role in the plight of some industries. I took the member for Saint-Hyacinthe-Bagot (Mr. Ricard), to task earlier, because he did not emphasize enough the fact that imports are not the only factor responsible for the plight of a number of plants but that in many cases, those plants have not been modernized, do not have the kind of management they should have, because if they were well managed, they would not be in such a predicament.

As I said earlier. I would need much more time to look into every aspect of those problems.

Mr. Ricard: Mr. Chairman, I should like to mention to the minister that I have nothing against the word "Bagot", but my constituency is called Saint-Hyacinthe.

Mr. Pepin: I am sorry, Mr. Chairman, there were changes everywhere, which only proves that progress is with us.

I would have a few words to say also to the member for Compton (Mr. Latulippe) who spoke in defence of the small industry. While listening to him, I happened to think that the kind of help he wanted us to give industry was likely to turn it into big industry. And then, of course, he would be the first to think that we are helping too much that big industry. This type of remarks is due perhaps to my somewhat strange character.

My department makes all its services available to the small industry and I could give a list of several things we can do for it. But there is no doubt that it is largely the big

industry which takes advantage of my department's services.

As the hon. member for Compton (Mr. Latulippe) said, small industries are often located in underdeveloped areas. There is no doubt that the Department of Regional Economic Expansion will apply itself more directly than mine to the problems of at least some of those small businesses.

I might even say that the Department of Industry, Trade and Commerce is especially—I do not say exclusively—responsible for the big industry, so that the government can get, through taxation, the money necessary to deal with underdeveloped areas.

The hon. member also mentioned the dangers or the negative effects of modernization. What I said earlier about the need for industrial rehabilitation applies. As there is retraining for individuals, there should also be some kind of retraining for industries.

The hon. member for Roberval (Mr. Gauthier) is very concerned about the bilingual character of my department. I can assure him that most people mentioned: Messrs. Warren, Kniewasser, Scharzmann, Sénécal and Mundy, are all bilingual. In fact, I am proud to have a department that can work, at least at the upper level in both languages. Therefore, I can reassure the hon. member and all other French-speaking members in the house that if they have to deal with those senior officials, they can start the conversation in French and carry on in French.

The hon. member for Saskatoon-Biggar (Mr. Gleave) has raised a question which I find most interesting, to wit the confidential nature of certain government papers. That is, I believe, a controversial matter in the sense that certain papers may readily be made public while the same is not true of others.

I have here a list of the studies done by the department. Some have been made known to the organizations with which they had been undertaken, while others, for obvious reasons, were not distributed. Some interests are involved and even if we are democratically minded, such interest must be protected when, for example, publication of a document may cause economic disturbances which would not be in the best interests of the country.

I suggest that we must be practical, that we must distinguish between the two kinds and that we must act accordingly.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) has given us the background of the wheat situation. I simply envy him for having been able to prepare a historical outline as complete as the one he has offered us this afternoon. I would have preferred him to tell me what to do tomorrow. In any event, there will certainly be an opportunity for me tomorrow to tell what I intend to do.

I would like to take perhaps three minutes to answer the hon. member for Oshawa-Whitby (Mr. Broadbent) who brought up a discussion which we had started a few months ago and which, so far as I am concerned, interests me, and even grips my heart.

[*English*]

We could argue the case on financial grounds. We can ask whether one company can get more from civilian programs than from the defence programs of the department. What I said a few months ago in the house, and I quote it, is that "the Canadian industrialists who avail themselves of our programs might get as much from a civilian project as from a defence project". I still maintain that this is possible, and we will have an opportunity, when we study my estimates in the committee, to get down to details and to show that this is true.

• (5:50 p.m.)

However, I do not think that this is the essential difference between the point of view of the hon. member for Oshawa-Whitby and my own. The real difference is on general ideas. I sympathize with parts of his philosophy, as I have said before. I am in favour also of a shift from the defence aspect to the civilian aspect, inasmuch as this is possible and this is done, too. I am as peaceful as he is, and sometimes perhaps more peaceful than he, at least in my approach to political matters. However, the difference between us is really more basic than that and I wish I had time to go into it. The basic difference is probably in our approach to defence and to foreign affairs. The real debate would consist in asking what form and what degree of involvement Canada should have in world affairs. We would have to start with this basic question in order to come to some kind of conclusion. Then, I would have to say many things about the purpose of the defence programs in my department. May I mention a few, *en passant*. The first is that the defence program is designed to give the best value for the Canadian defence dollar. However, if my hon. friend does not want Canada to spend any money on defence, that brings about an altogether different debate, as I have said. I

assume in my argumentation that there is a need for Canadian defence equipment and that we should not have to buy all our defence material outside of Canada, most probably in the United States, and in this way emphasize our dependence, if it can be called that, on the United States.

The moment you say that Canada must have a defence program, you are confronted with a choice: Will you buy all the military equipment from outside Canada, will you make it here or will you do some of both. If you are going to have a defence program it would be silly not to take advantage of our own industrial capacity. The hon. member can see how basic the debate between us would be if we had time to go into it.

Mr. Broadbent: May I assume the minister would permit me to ask him a question? I was not sure whether he was implying that I was suggesting we had no defence need and therefore should scrap all our military purchases. I did not say that. I assume we have a defence requirement. Would the minister also agree that a study was done by his department which reached the conclusion that strictly on economic terms it would be advantageous for us to purchase the major part of our military equipment abroad in the competitive market?

Mr. Pepin: The matter is still more basic than that. I am thinking of the industrial development and of the advantages of a defence industry program.

I would like to say one more word on this subject. What can be classed as offensive equipment which Canada sells abroad? My officials say that it can be brought down to 10 per cent. A plane can be used for civilian purposes as well as military purposes. Are you going to exclude everything that could have a military implication? If so, I say you are in trouble. Already we have 15,000 Canadians working in this industry, and if you want to be categorical about these things, you will be in great trouble. I am sure the hon. member for Oshawa-Whitby would be the last one to say that we should not export materials, minerals, or anything else that would have a military application. There is no end to the potential list. We then come to the question of who is the aggressor and who is not the aggressor, how do you define aggression, what is a defensive instrument, and what is an offensive weapon. These are philosophical debates which were very popular in the middle ages but I was hoping we would not get involved in them here tonight.

However, I love a challenge, and if the hon. member would like to debate these matters, I am ready to accept his invitation. I am afraid I do not have the time to find a platform; I leave that to him.

Clause agreed to.

Mr. Aiken: Mr. Chairman, I was hoping we could get on to the Department of Supply and Services. There would be no objection to doing so on our side.

Mr. Knowles (Winnipeg North Centre): We are satisfied to pass the clauses that make up part III of the bill.

Clauses 14 to 18 inclusive agreed to.

Mr. Aiken: Mr. Chairman, just a moment please. I do not even know what we are passing. Let me take a look.

The Chairman: We are dealing with the clauses in part III of the bill dealing with the Department of Industry, Trade and Commerce.

Clause 19 agreed to.

The Chairman: Is there agreement that clauses 20 to 40 should stand and that the committee turn to page 14, part V, namely the Department of Supply and Services.

Some hon. Members: Agreed.

On clause 41—"Minister".

Mr. Jamieson: Mr. Chairman, I think the appropriate thing to do would be to call it six o'clock.

The Chairman: It being six 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. Speaker: It being six o'clock, the house stands adjourned until tomorrow at 2 p.m.

At 6.03 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 13, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM SOUTH VIET NAM

Mr. Speaker: May I draw the attention of hon. members to the presence in the Speaker's gallery of some members of the National Assembly of South Viet Nam. On behalf of all the members of the House of Commons of Canada and of the Parliament of Canada I heartily welcome them to Ottawa and to Canada.

Some hon. Members: Hear, hear.

[*English*]

GRAIN

BARLEY AND OATS—STATEMENT RESPECTING FINAL PAYMENT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to make a statement regarding the final payments on barley and oats.

Producers delivered 27,538,577 bushels of oats and 81,592,536 bushels of barley to the Canadian Wheat Board in the 1967-68 crop year. The pool periods for oats and barley were closed on January 31 and February 14 respectively. The amounts of the final payments to be distributed are $4,800,024 for oats and $3,490,962 for barley. These are not payments by the government of Canada, but represent the net returns of the Canadian Wheat Board in the marketing of western Canadian oats and barley for the 1967-68 crop year.

The board will begin mailing the final payment cheques for oats today, and immediately after the completion of the oats payment the final payment cheques for barley will be distributed.

The final payments are being made on a grade basis as prescribed in the Canadian Wheat Board Act. The average final payment is 17.4 cents per bushel for oats and 4.3 cents per bushel for barley. While the level of these final payments is lower than the previous crop year, it should be noted that the initial payments for these grains were increased by 5 cents per bushel for oats and 10 cents per bushel for barley at the beginning of the 1967-68 crop year.

Mr. Speaker, I beg leave to table the statement being issued today in Winnipeg by the Canadian Wheat Board regarding these final payments.

The 1967-68 wheat pool account was closed on February 28 and the necessary accounting is now being completed. I expect to be able to make an announcement in about two weeks as to the level of the final wheat payments, when the board will be in a position to commence mailing the final payment cheques for wheat.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to speak on the statement made by the minister my first reaction is one of pleasure on seeing hard earned cash going out to the farmers in western Canada. I will point out immediately that this money is the farmers' money being paid to them from the final sales of 27 million bushels of oats and 81 million bushels of barley. It is regrettable that the grain which sold the largest number of bushels should be the one bringing in the lowest payment—4.3 cents a bushel for the barley. The 17.4 cents on oats is a better payment but the total amount involved is small.

• (2:10 p.m.)

The recent report of the task force suggests we should be growing and marketing more barley and feed grain. I would only point out that there are 200 million bushels of barley still in storage. How can we justify taking nine million acres out of wheat this year and seeding them to barley and feed grains, when we have such a backlog in storage? Moreover, low final payments such as these will not encourage farmers to do as requested of them in the recent task force report.

So while initially we react with pleasure to see hard-earned cash being paid out to the

farmers of western Canada at a time of particular need, we see little hope of the suggestions of the task force being carried out, especially having regard to the low payment on barley.

Mr. John Burton (Regina East): The low level of return on the 1967-68 crop will be extremely disappointing to the farmers of western Canada, though I might say it will not be entirely a surprise to them as they saw the crisis which was looming on the farm front before the government did.

The returns being provided at the present time and the level of prices are not nearly adequate to meet the needs of the agricultural economy. I think it ought to be emphasized once again that western Canada and the agricultural economy of that region face a crisis and that this crisis is bound to effect the national economy. Farm prices have been falling over the last two years while farm costs continue to rise. During the past year the index of farm costs has risen by some 5 per cent.

We can also expect that the wheat payment will be low. This I feel is the result of the abdication of responsibility by the federal government particularly during the period between the expiration of the international wheat agreement and the commencement of the new international grains arrangement—it was during this period that the grain crisis developed to the full extent which we are witnessing today.

The downward trend of grain prices is continuing into this year. The level of Winnipeg cash prices for oats presently ranges around 86 cents a bushel compared with an average of 92 cents a year ago. Prices for No. 2 C.W.-6 row Barley are in the area of $1.07 compared with $1.25 a year ago. This indicates that the situation is getting worse, yet we have seen little or nothing in the way of government action to deal with these problems.

In addition to the price factor, the farmers of western Canada have this year been faced with extremely difficult problems involving damp and tough grain. On many occasions my colleagues and other members of this house have endeavoured to bring the full impact of this crisis to the realization of the government, but the government has been slow in taking action and in developing initiatives. The farmers of western Canada are extremely disappointed by the ineffectiveness of government action over the past several months.

[Mr. Horner.]

The full impact of the crisis with respect to damp and tough grain will become more clearly known in the course of the next few weeks and will be entirely in line with the predictions made by the western agricultural organizations and by the farmers on the scene. Thus I urge the government, before it is too late, to take measures to deal with this crisis which is affecting all of Canada.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, we of the Ralliement Créditiste want to rejoice with the western farmers and congratulate the members of that wonderful organization, the Canadian Wheat Board, because, as was said by the minister, the money does not come from the country or the government but solely from the Canadian Wheat Board which has accumulated it to make a last payment to the farmers.

Those who like me have had the privilege to read about the very difficult start experienced by the board, can rejoice today over its achievements. In fact, we notice that the western farmers are wise to support at all costs their co-operative because I have always considered the Canadian Wheat Board to be just that, and we can see today how profitable the work of this board has been for the western farmers.

Mr. Speaker, several hon. members seem to wonder why the Minister of Industry, Trade and Commerce (Mr. Pepin) is the spokesman for the board in this house? I think that I have found the answer and I want to pass it on to the house because several new members seem a little intrigued. We know that government money is not involved but rather the efforts of the Canadian Wheat Board to assist the farmers. I do not think that I am mistaken and if my memory serves me well, the former Minister of Trade and Commerce (Mr. Winters) used to be in the past co-chairman or honorary chairman of the Canadian Wheat Board. I think it is a title which the Canadian Wheat Board has bestowed upon the Minister of Trade and Commerce and I should like to know whether the present minister is an honorary chairman of that board. I trust he is, because when making such statements in the house he seems to talk on behalf of the Canadian Wheat Board and I have the impression that the western farmers are happy to have him as an honorary chairman in view of the significance of that position.

Mr. Speaker, we are not jealous of the Westerners, but we, also, would like to be

represented by an eastern agricultural products commission of which the Minister of Industry, Trade and Commerce would be the co-chairman or the honorary chairman.

I ask him and the Minister of Agriculture (Mr. Olson) to help us so that one day we shall get the same results as the western farmers.

PRIVATE BILLS

PERTH MUTUAL FIRE INSURANCE COMPANY—MOTION TO REFER DELAYED PETITION

Mr. Gérard Duquet (Quebec East): Mr. Speaker, seconded by Mr. Groos, I have the honour to move:

That the petition of The Perth Mutual Fire Insurance Company, filed after the time limit specified by Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, with the eleventh report of the Clerk of Petitions tabled in the house on Wednesday, February 26, 1969, so that the Committee may make the recommendations it shall deem necessary.

Motion agreed to.

[*English*]

MOTION TO ADJOURN UNDER S.O. 26

LABOUR CONDITIONS

ALLEGED FAILURE OF GOVERNMENT TO COPE WITH UNEMPLOYMENT—MOTION TO ADJOURN UNDER STANDING ORDER 26

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the house under standing order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the urgent situation revealed in the unemployment statistics released today, showing 10.5 per cent unemployment for the Atlantic area, 8.4 per cent for Quebec, 6.6 per cent for British Columbia—6 per cent being the overall figure for the entire country—and the failure of the government to provide policies to cope with this situation, particularly its failure to provide alternative seasonal employment programs to take the place of the winter works program cancelled unilaterally by the government.

• (2:20 p.m.)

Mr. Speaker: Having considered the hon. member's notice of motion I can do no better than to refer him to the ruling of the Chair when a similar motion was presented by the hon. member for York South on January 16 last. In particular I refer hon. members to the ruling of Mr. Speaker Michener, made on March 23, 1959. On that occasion he said:

I have felt that the question of unemployment, which is a continuing one, can scarcely be brought forward under rule 26. The circumstance alleged by the hon. member for Essex East, namely a joint release by the Department of Labour and the Dominion Bureau of Statistics, scarcely alters the situation, in my opinion, to a point where the house should be asked to interrupt its ordinary business.

Under the circumstances I do not think it would be in order to put the hon. member's proposed motion to the house.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker, I have no wish to dispute Your Honour's decision and, under the rules of the house, cannot do so. With great deference however I would ask Your Honour, in interpreting the standing orders in future, to give some thought to distinguishing what might be termed continuing problems. If a problem continues to exist for a certain period of time surely there comes a point in time when it reaches critical proportions.

Mr. Speaker: Order, please. In raising his point of order the hon. member himself has said that he cannot question the ruling of the Chair. I know what the hon. member has in mind and I can assure him I appreciate the fact that in some circumstances a continuing situation may reach a point where perhaps the general rule should be discarded. The situation might then be considered a matter of sudden emergency, to the extent that the motion should be allowed. As I say, I appreciate the point made by the hon. member for Nanaimo-Cowichan-The Islands. I assure him that it will always be one of the considerations taken into account by the Chair when similar motions are presented to the house.

ORAL QUESTION PERIOD

POST OFFICE DEPARTMENT

REFERRAL OF OUTSTANDING ISSUES TO MEDIATION PROCEDURES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister a question which relates to an answer he gave me yesterday. He said that both parties in the Post Office dispute, namely the Post Office and the union, have agreed

to refer all outstanding issues to arbitration and that both sides have facilitated the waiver of delay. He said also that the agreement was to refer the outstanding issues, including of course the special one about lunch arrangements, but that the term "outstanding issues" is not restricted and would, he supposed, include all the issues which are raised by either side.

In view of the denial by the national president of the Letter Carriers Union that this is the case, and in view of his statement that in meetings over the weekend the union requested management to refer all relevant issues to arbitration, may I ask, considering the importance of this matter, whether the Prime Minister was inadvertently mistaken in the information he gave me. In view of its importance will he clarify this matter?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have not seen the statement the Leader of the Opposition refers to. The position of the department is that we are quite willing to proceed to adjudication of any and all issues to which the union might take exception. In fact, we are clearing the way for speedy adjudication of issues by waiving the intermediate steps. I think we have suggested to the union that we should take representative cases, instead of filing tens or hundreds of grievances that revolve around the same issue. To my knowledge, that has been discussed. We are quite prepared, under our contract, to proceed to adjudication of any outstanding issues.

Mr. Stanfield: A supplementary question, Mr. Speaker. I directed my question to the Prime Minister in view of the statement he made yesterday. If I may, I will pursue it with the Postmaster General, since he is in the house today. Do I understand the Postmaster General to say that all matters in dispute are being referred for third party consideration? The national president of the Letter Carriers Union has issued a public statement that this is not so, that only those grievances dealing with wash-up and travelling time were presented to the Public Service Staff Relations Board for adjudication. These are the only grievances on which management asked the union to facilitate the waiver of delay. A request for the reference of all other matters in dispute was made to the management of the Post Office over the weekend. Management officials flatly rejected this proposal. In the light of this statement by the national president of the Letter Carriers Union of Canada, Mr. Speaker, is the Postmaster General insisting that all matters in dispute are being expedited and referred for third party adjudication?

Mr. Kierans: I would certainly insist that, Mr. Speaker, on issues which in any way were responsible for or caused people to go out on strike are being proceeded with immediately to the fourth and final stage. There may have been a number of other issues during the two day discussions on Saturday and Sunday which the unions wanted to proceed with immediately. I will have to check that and find out what they were. I was concerned of course with the issues at stake in this walkout.

Mr. Stanfield: Supplementary, Mr. Speaker. I think it is clear that the Postmaster General has inadvertently given the wrong impression to the house and the country, as did the Prime Minister yesterday. I said inadvertently, Mr. Speaker. In the light of the importance of this matter and avoiding the escalation of disputes as well as having all matters settled peacefully, without disruption of the service, would the Postmaster General not reconsider his refusal to have a mediator selected, so that possible halts in mail delivery may not recur as a result of disputes in other areas in which the union is seeking immediate third party arbitration?

Mr. Kierans: Yesterday, Mr. Speaker, the union lawyer presented grievances to the Staff Relations Board. To the best of my knowledge both sides are now busily engaged in preparing their case for the hearing before the board. I will call Mr. Decarie and find out if there are other issues he wants to proceed with. I will talk this over with him.

Mr. Stanfield: A further supplementary, Mr. Speaker. May I ask the Postmaster General to make sure he is fully informed as to the state—

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Postmaster General. He is devoting much attention to staff relations. Would he also devote some attention to public relations and the service of the post office to the public who pay the bills.

LABOUR CONDITIONS

MEASURES TO PROVIDE EMPLOYMENT OPPORTUNITIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Prime Minister? In view of the unemployment statistics which have been released today showing the very heavy incidence of unemployment in

Canada—10.5 per cent in the Atlantic area, 8.4 per cent in Quebec, 6.6 per cent in British Columbia and 6 per cent over the entire country—I want to ask the Prime Minister if the government intends to announce a program to provide employment opportunities as asked for by the Association of Mayors and Municipalities. If so, when does the Prime Minister expect to be able to make such a statement?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the Prime Minister has asked me to question, or at least I question, the statistics which the hon. gentleman has now placed before the house on two occasions. The opening statement in the D.B.S. report says, "Total employment increased slightly since the last report a month ago." I think these facts should also be put on the record, that the rate of unemployment in October was 5 per cent, in November 4.9 per cent, in December 4.8 per cent, on January 18 it was 4.3 per cent and on February 15 it was 4.3 per cent, which indicates a trend towards the better.

Furthermore, Mr. Speaker, the work force of the country has increased by 20,000 people this month. We have been able to find jobs for these people. In addition to that, in an emergency debate not too long ago the Prime Minister indicated that with the establishment of the new department of regional expansion, and increased acceleration of the manpower program, we intend to tackle the problem of unemployment on a full-time permanent basis, rather than with ad hoc temporary measures.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the figures I quoted were issued today by the government, and in view of the fact that the minister was merely quoting seasonally adjusted figures, and that the number of persons added to the labour force is not much consolation to those who are unemployed, may I ask him, since 6 per cent seems to be the usual figure for this season of the year for three years in succession, whether the government has now accepted 6 per cent as its goal for unemployment in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the Minister of Labour just indicated, we have plans in the new department to attack this problem on a logical and total basis. That is why we have a Government Organization Act, and we hope the opposition will co-operate with us in getting this act through the house.

Inquiries of the Ministry

SHIPBUILDING

REQUEST FOR REPORT OF COMMITTEE CONSIDERING SHIPYARD EMPLOYMENT

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I direct a supplementary question to the Minister of Industry, Trade and Commerce. Can the minister report at this time as to the deliberations of the committee, composed of persons from the shipbuilding industry and various government departments, which was set up to look into shipbuilding matters, with a view to alleviating the very heavy unemployment in the shipyards of the country?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The committee will report in due course, Mr. Speaker.

PROCEDURE

REVIEW BY COMMITTEE OF STANDING ORDER 26

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to direct my supplementary question to the hon. member for Grenville-Carleton who is chairman of the Committee on Procedure. In light of the remarks made by Mr. Speaker would the hon. member consider reviewing the provisions of Standing Order 26, having in mind that the condition of unemployment may well be chronic during the term of office of this government?

[*Translation*]

FINANCE

REVIEW OF HIGH INTEREST RATES

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Prime Minister.

Would he tell the house if the government intends to study the matter of interest rates, considering they are at their highest level in this century and, consequently, cannot attract foreign investments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not only does the question seem very general to me, but it should be asked of the Minister of Finance.

[*English*]

HEALTH AND WELFARE

SHORTAGE OF MEDICAL DOCTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare.

Inquiries of the Ministry

In view of the statement made by the minister last night when speaking in Hamilton, that the present shortage of doctors is only a myth, is this the reason that the health resources fund has been cut back?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Lambert (Edmonton West): He was talking nonsense.

Mr. Speaker: Order, please.

GRAIN

PAYMENT OF SUBSIDY ON DRYING OPERATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. While the payments from the barley and oats pool will naturally be acceptable to farmers I would point out that the amount is negligible when regard is had to the tremendous cost of drying operations for damp wheat on the prairies. In view of this will the minister now see to it that there will be made available to the western farmers who need the drying apparatus, either through purchase or through rental, a payment of ten cents a bushel, either to the farmers directly or to those who provide the necessary service?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to remind the house, as I did previously, that the reason the final payments are lower is because the initial payments were increased. That has to be taken into consideration. I think it is a rather worth-while point to make again.

With respect to drying facilities, the Minister of Agriculture said that we will soon have a report on the situation. We have already made cash money available to help farmers dry more than they had been drying on their farms, and I think we will wait and see what the situation is at the end of the month.

Mr. Diefenbaker: By the end of the month the situation will be even worse than it is now. Is consideration being given to paying farmers ten cents a bushel as an incentive for drying the wheat, and also as payment for the work that has come to them as a result of the untoward climatic conditions? That is the simple question.

Mr. Pepin: No, Mr. Speaker; but I find it rather worth mentioning that when the opposition attacks us on the rate of unemployment, the only thing it can offer is the

suggestion that subsidies should be paid all down the line.

Some hon. Members: Hear, hear.

Mr. Speaker: I understand the hon. member for Mackenzie has a supplementary.

Mr. S. J. Korchinski (Mackenzie): In view of the fact that many farmers who have taken advantage of the emergency cash advances find the amount of money inadequate to dry all the grain they have, I would like to ask the Minister of Industry, Trade and Commerce whether consideration is being given to removing the lid on the amount that can be borrowed under that scheme?

Mr. Pepin: Mr. Speaker, I have seen the report of January's survey on the situation, and the number of people who invoked lack of funds as an explanation of why they had not been drying more was very low. As I recall, it was 125 out of more than 1,000.

INQUIRY AS TO AVAILABILITY OF BOX CARS

Mr. Eldon M. Woolliams (Calgary North): In view of the statement of the Minister of Industry, Trade and Commerce on the export of barley—and I do not expect an answer to this question today—would he look into the situation in which farmers are moving their grain on the C.P.R. in preference to the C.N.R. because they cannot get box cars on the C.N.R. to move the barley off their farms?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Wheat Board has been co-operating with the railways as much as possible, constantly bringing to their attention that situation.

EXTERNAL AID

PROVISION OF FOOD THROUGH TRANSFER OF ARMAMENT FUNDS

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Is consideration being given to the suggestion of a national body, the Canadian Catholic Conference, that 10 per cent of Canada's armaments expenditures be spent instead on such peace efforts as the provision of food for underdeveloped countries?

Mr. Speaker: The hon. member will recognize that this question that he is bringing to the attention of the house is very wide in scope, and should normally be answered by way of a statement on motions.

POST OFFICE DEPARTMENT

PROSECUTION OF LETTER CARRIERS PARTICIPATING IN STRIKE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Postmaster General. Has the Public Service Staff Relations Board been asked to give the government leave to prosecute 57 letter carriers in nine cities for participating in the alleged illegal strike?

Hon. Eric W. Kierans (Postmaster General): This is before the Staff Relations Board, Mr. Speaker.

Mr. Orlikow: Since the minister has indicated that the prosecutions will not likely be proceeded with, how does he justify the expenditure of thousands of dollars for the board to travel to these cities to hear the cases?

Mr. Speaker: Order, please. This is an argument, not a question.

DELAY IN MAIL DELIVERIES

Mr. Lee Grills (Hastings): Mr. Speaker, I should like to direct my question to the Postmaster General. While it may seem to be a trivial matter, I think if it is a recurring one it is of national importance. I have in my hand a letter from a government department postmarked Toronto, February 14. I received this letter at noon today, March 13. Is this the new efficient service?

Mr. Speaker: Order, please. The hon. member is asking for an expression of opinion from the minister.

The hon. member for Saint John-Lancaster.

Mr. Grills: I have a supplementary question in respect of the mail service, Mr. Speaker.

Mr. Speaker: Perhaps the hon. member might be allowed a supplementary.

Mr. Grills: Mr. Speaker, I should like to address this question to the Minister of National Health and Welfare. It is in respect of a letter dated December 30 which was received by me on February 12. This is a delay of approximately six weeks. This letter originated in the Department of National Health and Welfare. I do not like to bring this up, but there must be something wrong. Perhaps they are short staffed, or—

Mr. Speaker: Order, please.

Inquiries of the Ministry

"TIME" AND "READER'S DIGEST"—ALLEGED SPECIAL CONCESSIONS TO U.S. PUBLICATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Postmaster General. Since it is the desire of the department of communications to promote a Canadian identity in the broadcasting media, would the department now consider assisting the creation of a Canadian identity through the written press by the elimination of special postal rate concessions granted to certain American publications such as *Time* magazine?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we have already spent several days on this subject. I said there is no discrimination in favour of or against *Time* magazine and *Reader's Digest*. They pay exactly the same percentage costs as do other magazines in the magazine field.

HOUSE OF COMMONS

TELEVISION INTERVIEWS IN AREA ADJACENT TO CHAMBER

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, this question is for the Prime Minister in respect of the matter of television for the house, which he said yesterday would be reconsidered. Will the Prime Minister take into account the charges made about the distorted replay on television outside the house of the debates in the house, such charges having been made by that well known author of parliamentary procedure, the hon. member for York West (Mr. Givens).

Mr. Speaker: Order.

Mr. Bell: Will the Prime Minister take into account the charges made by backbenchers? Whether they are bums or idiots, they have a role to play in parliament.

Mr. Speaker: Order. The hon. member for Lotbinière.

[*Translation*]

PUBLIC SERVICE

THE QUEEN'S PRINTER—INQUIRY AS TO ABOLITION OF OFFICE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Prime Minister.

Since he told the house yesterday that nobody is now holding the office of Queen's Printer, could he say now clearly whether the incumbent has been deprived of his office or

whether he has agreed to be transferred to another department?

Mr. Speaker: Order. The hon. member will note from the official report of the house that this question has already been asked, and it seems that it was answered.

Mr. Fortin: Mr. Speaker, perhaps I might rephrase my question, because after reading *hansard* last night many things were still unclear in my mind.

May I ask the Prime Minister why the house has not been informed of that most important change, since the Queen's Printer was one of the few French-speaking deputy ministers in the Department of Defence Production and since he was deprived of his office without the house being told about it?

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question deals with the same matter.

I wonder if the Prime Minister, who is responsible for appointing deputy ministers in the public service, can tell the house how it can be that a deputy minister, namely the Queen's Printer, learned from another deputy minister that his position had been abolished.

Mr. Speaker: This is argumentative.

[*English*]

COMBINES

SUGGESTED INVESTIGATION OF INCREASED LUMBER PRICES

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the steadily worsening situation in respect of lumber prices and supply, which has seen all prices increase drastically and some prices more than double between February 1968 and February 1969, which is having a disastrous inflationary effect on housing costs particularly, and the stability of the construction industry generally, will the minister consider recommending that the Combines Investigation Branch investigate the lumber industry?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Well, Mr. Speaker, the Director of Investigation and Research under the Combines Investigation Act maintains a scrutiny of all significant price movements, and in the event significant price movements indicate an offence under the Combines Investigation Act the Director has an obligation to prosecute or investigate under that act. Also the task force on housing—

Some hon. Members: Oh, oh.

Mr. Basford: Hon. members opposite do not seem interested in an answer. The task force on housing also made reference to certain practices in the housing industry, to which they wanted to draw our attention. My officials are communicating directly with the officials of the task force. So far as the general subject is concerned, if anyone has any evidence that increasing lumber prices are in violation of the Combines Investigation Act I would be happy—

Mr. Speaker: Order, please.

INDIAN AFFAIRS

THE PAS, MAN.—ADMINISTRATION OF HEALTH SERVICES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Arising out of the reply of the minister on Monday last to the question of the hon. member for Churchill concerning the incident with regard to the health facilities for Indians at The Pas, Manitoba, would the minister say whether the lady administrator of the Indian health services was immediately and peremptorily removed from her post? If so, has the department conducted any investigation to ascertain whether this action was correct and fair?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the Indian community there indicated they did not have confidence in the particular person to whom the hon. member refers. I believe I interpreted the representation of the hon. member for Churchill to be that he requested action be taken in this regard, in order that the picketing outside the health facility there would stop.

The government and officials of my department looked into the situation and came to the conclusion that the person in question should not turn up for work, as she no longer enjoyed the confidence of the Indian community. We are endeavouring to make other

arrangements for her to serve the department elsewhere.

Mr. Woolliams: Don't put her in the Post Office.

Mr. Ritchie: Are the employees and officials of the health services branch at The Pas now under the control of the Indian band in question?

Mr. Munro: They did not ask this in respect of all officials. They asked that the community health worker be responsible to the Indian band. We said we would look into it, that we had no objection to it and would try to work it out.

[*Translation*]

AIRPORTS

EFFECT ON DORVAL AIRPORT OF LANDING RIGHTS IN TORONTO

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Considering the new policy announced by the Minister of Transport to the effect that several airlines will be granted landing rights in Toronto, can the Prime Minister give us the assurance that this new policy will in no way reduce the importance of the Dorval airport?

Right Hon. P. E. Trudeau (Prime Minister): I do not see in what way this can be called a new policy, Mr. Speaker, and the importance of the airport in Dorval will in no way be reduced. I suggest that what might have such an effect would be the new international airport that we intend to build in the province of Quebec. Discussions on that matter are presently going on with the provincial authorities and I think that we shall be able to announce our decision in one or two weeks, at the most. As a matter of fact, our decision depends on consultations. We have had a great many consultations with the provincial authorities and we are about to make a decision on the basis of the final representations which we will be receiving from them.

Mr. La Salle: Mr. Speaker, I would like to ask a supplementary question.

Could the Prime Minister tell us whether he is aware that the north shore has marked advantages—

Mr. Speaker: Order.

[*English*]

CONSUMER AFFAIRS

REPORT RESPECTING GROCERY PRICES ON PRAIRIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct this question to the Minister of Consumer and Corporate Affairs. Has the minister held meetings yet with the three responsible ministers from the prairie provinces in respect of the Batten report?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. I met with the attorney-general of the province of Saskatchewan some time ago, and he indicated that he was most anxious to arrange a meeting with his two provincial colleagues from Manitoba and Alberta, and with myself. He has now arranged a meeting for this coming Monday in Winnipeg to discuss various aspects of the Batten report.

GASOLINE—REPORT OF ROYAL COMMISSION IN ALBERTA

Mr. McGrath: A supplementary question, Mr. Speaker. Has the Combines Investigation Branch concluded its study of the Alberta royal commission report on gasoline marketing and, if so, because of the national implications of this report will the minister make a statement to the house on motions?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): We have not yet finished considering it, Mr. Speaker.

WATER RESOURCES

SURVEY OF REQUIREMENTS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, last Tuesday I directed a question to the Acting Minister of Energy, Mines and Resources in connection with a report released by the United States interior department. Perhaps I should repeat the question: Has the federal government undertaken a survey of our water resources and our water needs and, if so, when will a report to the house on these studies be made? I ask the question in view of the statement made by the United States interior department regarding the possible importation of water from Canada.

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, studies in the area of the subject referred to

by the hon. member are going on in many different ways, and there are studies of many different types. I cannot tell the hon. member whether these studies will result in the kind of report which I would offer to have tabled in the house.

Mr. Harding: A supplementary question, Mr. Speaker. I would like to ask, again, whether a specific study of Canada's water resources, and the possible export thereof, has been set up.

Mr. Lang: I think I have really answered that question, Mr. Speaker. Studies of various types in that area are going on.

HEALTH AND WELFARE

SHORTAGE OF MEDICAL DOCTORS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Health and Welfare. As he has stated that the shortage of doctors in the country is due to the rising trend toward specialization, has he any plans for reversing this trend, and has he discussed these plans with the provincial ministers of health?

Mr. Speaker: Order, please. I would remind hon. members, as I attempted to do when a similar question was asked earlier, that questions cannot be asked in this way, relating to statements made outside the house.

Mr. Rynard: A supplementary question, Mr. Speaker. I would like to ask the Minister of National Health and Welfare whether he believes there is a shortage of medical manpower in Canada.

Mr. Speaker: Order, please. I suggest to the hon. member that he is asking for an expression of opinion. I would not think that the question as asked is in order.

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

TRADE

BARLEY—DECREASE IN SHIPMENTS OVERSEAS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, this question is for the Minister of Industry, Trade and Commerce. In view of the trend toward lower barley sales recently, can the minister explain why barley sales have been declining?

Mr. Speaker: Order, please. I suggest to the hon. member that the question as asked is argumentative.

[Mr. Lang.]

POST OFFICE DEPARTMENT

REPRESENTATIONS OF POSTMASTERS

Mr. Robert Simpson (Churchill): Mr. Speaker, on Tuesday last I directed a question to the Postmaster General, and he said he would look into the matter. I would like to know whether he now has an answer for me. My question was in relation to whether a decision had been reached in respect of representations made to the Deputy Postmaster General in mid-February on behalf of the postmasters of Canada.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the Deputy Minister and myself have been engaged in negotiations. I will remind him of that question this afternoon.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wish to direct a question to the future Minister of Regional Economic Expansion.

In view of the fact that, following a meeting many Canadians have set up retraining courses in political science with the result that they discovered the problems of economic disparity, could the minister assure the house that he is going to subsidize the Estates General in order to encourage them to carry on those political education courses?

[*English*]

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSIONS WITH U.S.S.R. ABOUT RECOGNITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can report to the house on the meeting he had earlier in the week with the ambassador of the U.S.S.R. In particular, can he tell us whether he discussed with the ambassador anything in relation to this country's proposed recognition of the Peking government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe it would be unusual for me unilaterally to discuss the content of such discussions or such representations made at the demand of another country upon us. But I understand that the Secretary of State for External Affairs has obtained the consent of the embassy of the U.S.S.R. to indicate that we did discuss the general problem of China, with no more detail than that.

MAINLAND CHINA—EFFECT ON RECOGNITION OF BORDER CLASHES WITH U.S.S.R.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Having regard to the animosity, if not bitterness, between the U.S.S.R. and communist China today, have the border incidents that have taken place had any effect as a deterrent on the desire of the Canadian government to recognize communist China?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the question of the recognition of the Peking regime is, I think, quite independent of these developments. We are not proposing to have relations with the Peking government because we agree with their philosophy or their actions; it is only in order to promote the cause of peace.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The eight or ten-man band to my right is very vocal today—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —even though they do not have their leader, the hon. member for Burnaby-Seymour, here today. The question I asked, Mr. Speaker, was whether what is happening in the continent of Asia has had any effect on the rush on the part of the Canadian government to bring about recognition of communist China.

Mr. Sharp: Mr. Speaker, it has taken us a long, long time—many, many years—to get around to this point, and I do not think we should be deterred at this moment.

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker. I wonder whether the Secretary of State for External Affairs can now tell the house when we can expect a decision to be made on the diplomatic recognition of mainland China.

Mr. Sharp: Mr. Speaker, we have had the first contacts between the Peking regime and ourselves. I expect the negotiations will be very long. I assure the right hon. member for Prince Albert that we shall show just as much patience as the Chinese.

Mr. Diefenbaker: They did not creep on their hands and knees.

Inquiries of the Ministry

CANADIAN FILM DEVELOPMENT

ADVISORY COUNCIL TO FACILITATE DEVELOPMENT OF FILM INDUSTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. In view of the hostility existing between the Canadian Film Development Corporation and the members of the film-making industry, as indicated by recent representations, will the Secretary of State encourage the appointment of an advisory council from members of the industry to provide a continuing point of contact for discussions with the C.F.D.C., designed to facilitate the development of a feature film industry in Canada?

Mr. Speaker: Order, please. I suggest to the hon. member that this very interesting question should be placed on the order paper.

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

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. I ask whether the Minister without Portfolio from Winnipeg South has tendered his resignation to the Prime Minister.

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

Mr. MacInnis: Mr. Speaker, the Prime Minister—

Mr. Speaker: Order, please. The hon. member has asked a question, and there did not appear to be a response.

Mr. MacInnis: On a point of order, Mr. Speaker, the Prime Minister is indicating to me that I should get up on my feet. Perhaps he did not understand the question. I will repeat it.

Mr. Speaker: Order, please. I am sure the Prime Minister heard the question. He can see it in *Hansard*, if he did not hear it.

CANADA LABOUR (SAFETY) CODE

PROMULGATION OF RAILWAY REGULATIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour supplementary to questions I have asked earlier in the session regarding the Canada Labour (Safety) Code. In view of the last statement the minister

made, which was to the effect that the regulations would be promulgated industry by industry, can he tell me whether the regulations for the railway industry have yet been drafted?

Hon. Bryce S. Mackesey (Minister of Labour): Mr. Speaker, as a result of the representations of the hon. member I asked the department to speed up the finalization of all these regulations. I would like to take the hon. member's question as notice and report more fully on Monday.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the fact that this legislation was passed over two years ago, and in view of the fact that we now have an activist minister, cannot we get a little more speed than we have had?

[*Translation*]

PUBLIC SERVICE

PUBLICATION OF REPORT ON BILINGUALISM

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask a question of the Prime Minister.

Could he assure us that the report of the inquiry into bilingualism in the public service will come out in the spring of 1969, at the latest, as announced some time ago?

Right Hon. P. E. Trudeau (Prime Minister): I do not understand what report of inquiry the hon. member is talking about, Mr. Speaker.

Mr. Fortin: I mean the report that deals with bilingualism in the public service.

[*English*]

NEWFOUNDLAND

RECOMMENDATION RESPECTING APPOINTMENT OF LIEUTENANT GOVERNOR

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that the term of office of the Lieutenant Governor of Newfoundland is due to expire shortly, has the provincial government made a recommendation to him and will an appointment be made shortly?

Mr. Speaker: I am not sure whether the question is in order. I would have to consult the precedents in order to decide, but I have some doubts about it.

[Mr. Knowles (Winnipeg North Centre).]

YUKON TERRITORY

REQUEST FOR ANNOUNCEMENT RESPECTING FORM OF GOVERNMENT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. In view of the promise of the Prime Minister that a statement would be made before the end of 1968 and in view of several statements of the minister to the same effect, is the minister now in a position to make any announcement concerning governmental reform in the Yukon and the Northwest Territories?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are not ready yet to make a statement on that matter.

[*English*]

Mr. Nielsen: I have a supplementary question for the minister. Can he give the house an indication of when he intends to make such an announcement?

[*Translation*]

Mr. Chrétien: As soon as possible, Mr. Speaker.

BUSINESS OF THE HOUSE

[*English*]

WEEKLY STATEMENT

Mr. Baldwin: I rise on a point of order, Mr. Speaker. For the benefit of hon. members, could the government house leader indicate the business for the rest of this week and for next week?

Hon. Donald S. Macdonald (President of the Privy Council): As I indicated in last week's announcement, Mr. Speaker, it will be the government's intention to call for second reading tomorrow Bill C-178 dealing with the Statute Law (Superannuation) Amendment Act. Perhaps I could indicate in that regard that, as hon. members will have noted, there is a time limit in the bill of April 1. It would obviously be of value if the legislation could be brought into effect at the beginning of the fiscal year, and on that basis we would hope the bill could receive second reading tomorrow, be dealt with by the finance committee in the early part of next week, and then dealt with in final form by the house a week from

tomorrow. If we make progress with that bill tomorrow we would move on to the report stage of Bill C-102, with regard to drug prices.

Both Monday and Tuesday of next week will be devoted to allotted days for the opposition.

On Wednesday we hope to call the report stage and third reading of Bill C-172 with regard to the Financial Administration Act, assuming that it has been reported back to the house in time by the Standing Committee on Miscellaneous Estimates. This will be followed by further consideration of the report stage of Bill C-102 on drug prices which will be continued on Thursday if it has not been completed on Wednesday.

Next Friday, as I have already indicated, we intend to call the report stage and third reading of Bill C-178 with regard to the Statute Law (Superannuation) Amendment Act, to be followed by second reading of Bill S-15.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY AND OTHER NEW DEPARTMENTS

The house resumed from Wednesday, March 12, consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the chair.

The Chairman: When the committee rose on Wednesday clauses 20 to 40 had been allowed to stand, and part IV of the bill, clause 41, had been called.

On clause 41—*"Minister"*.

Mr. Jamieson: Mr. Chairman, a number of explanations have been given at various times concerning the new Department of Supply and Services, most recently at the time of the submission of the estimates of this department, and I believe that hon. members have a fairly comprehensive idea of the components which will make up the new department. However it may be useful at the outset if I take a few moments to recapitulate some of the points so that hon. members may have a clear and immediate picture of just what is planned.

The new Department of Supply and Services is, in the first instance, a combination of the present Department of Defence Production as well as of the various functions now performed by the office of the Comptroller of the Treasury. One is the supply side of the department, the other is the service side. In addition, several other responsibilities have been added because it appears to us that they fall within the general objective that we have in mind, which is to establish what is essentially a common services agency for all government departments.

I think perhaps hon. members who are familiar with the Glassco report on government reorganization will know that what we are proposing here is on all fours with what the Glassco commission recommended. Indeed, some of the steps leading up to the formation of the department have been taken already and the results of these have been satisfactory and beneficial by and large.

Briefly, to give the committee the elements making up the supply side of the department there is, as I have said, the Department of Defence Production, the bureau of public printing and stationery, the Queen's Printer, and the shipbuilding branch from the Department of Transport. These are the main elements making up the supply side of the department. We have therefore been designated in this legislation as the procurement agency for all government departments. In other words, from the previous arrangement where the Department of Defence Production was primarily concerned with only the Department of National Defence we are now moving to the point where we will be the purchasing and procurement agency for civilian departments of government as well.

This phasing in, if I may call it that, is going to take some time to complete. We have already assumed this purchasing responsibility for perhaps 60 to 70 per cent of the total requirements of the government in the purchasing field, and as a result of this legislation and the continuity of the plan already under way in time we will take on the full 100 per cent.

May I note in passing that the legislation, as hon. members will note, provides as well for the ability on the part of the minister to transfer back to specific agencies certain purchasing functions if it is deemed wise and desirable that these be retained on an individual basis. Of course I suppose the most obvious example of this would be purchasing for the National Gallery. This is a highly specialized type of buying and would not be the kind of thing that we would do through this common service agency.

Purchase of materiel is not in itself the totality of the picture. The Glassco commission recognized this and made recommendations which we are also implementing and for which this legislation provides, including materiel management. In other words, instead of merely buying the various things needed by the government and turning them over to individual departments it is the intention—and again a portion of this activity is already under way—that we will store this materiel in central warehouses in various parts of the country. Without going into all the details as to how this function is going to be carried out, I am sure hon. members will recognize the wisdom of ensuring that all these supplies are held at central points and that we can then distribute them to departments and agencies as they are needed.

Hon. members may be interested to know that in the Ottawa region, where we have already begun this effort, there is very substantial evidence that savings of the order of perhaps 20 per cent can be made through various efficiencies, through the capacity to buy in large quantities, and through the benefit of central purchasing. We are proceeding from this test establishment here in Ottawa to the point at which we shall have five or six central management houses across the country.

• (3:10 p.m.)

I touched on the fact that we have assumed responsibility—in fact we have had responsibility for some time—for the Bureau of Public Printing and Stationery. I was in the house a few days ago when questions were asked about the status of the Queen's Printer and it might be appropriate for me to explain what is planned in this connection. There is provision in this legislation for the retention of the Queen's Printer, and this is our intention. The difference is that he will now be a part of the over-all department rather than an offshoot of the department. The general heading will be the Bureau of Public Printing and Stationery but there will be a Queen's Printer, and an official of the department will be so named when the legislation we are considering has been passed by the house.

The nucleus of the service side of the department is the former office of the Comptroller of the Treasury. Those who have a considerable amount of experience in the house and in public affairs will know that the Comptroller is the official who at one time was called, I believe, the bookkeeper for the government. That was many years ago. His is primarily an accounting function, a cheque-issuing function. One of his most important responsibilities is the preparation and presentation of the public accounts. This work will now be performed on the service side of the new department in the same way it was done previously except, of course, that the title is being changed. Incidentally, I have been most impressed by the manner in which the Comptroller of the Treasury side has functioned. It is faced with an enormous task, one which is extremely complicated, but it is performed by many responsible members of the public service in a manner to which I should like to pay tribute today because, generally speaking, these people are not often in the limelight. The whole process of issuing pay cheques, family allowance cheques, old age pensions and a variety of other payments which go out from the government is within the responsibility of the Comptroller of the Treasury.

In addition to these services, which might be described as statutory or obligatory, there are a number of other services which are to be brought into this department and made available on an optional basis. Those I have outlined are provided for by law and we must perform them on behalf of the various departments of government. But again, in line with the Glassco concept of reorganization, and very much in line with my own belief in the necessity for the maximum degree of efficiency in the public service, we shall bring beneath the umbrella of the service side the Central Data Processing Bureau. This is becoming an increasingly important tool in good management and by making this central facility available to all departments we have already demonstrated, I think, that substantial savings can be achieved, in addition to providing other departments with a vital tool.

We also intend to assume responsibility—and I should note again than many of these functions have in fact already been transferred—for the bureau of management consulting services. It is perhaps not generally known that there is within the government service, and has been for some time, a group of talented and able people who perform for government departments the same kind of consultative services with regard to management as are carried out for private industry by consulting firms. This group is functioning and will continue to function on the operational basis to which I have referred. It is not obligatory that a department should use the services of this agency but I am happy to say

there is a growing tendency to do so. We have carried out some useful and valuable work in this connection. Hon. members may have noticed details of a study having to do with the ages of various senior officials in the public service and pointing out problems which may develop within a short time when a large number of experienced personnel reach retirement age at virtually the same time. This is the work of the bureau of management consulting service.

Hon. members may also have noted that the bill provides for the designation of the Minister of Supply and Services as the Receiver General of Canada. This, again, is in line with the whole concept of centralization, within one department and under one minister, of responsibility not only for the paying out side, the distribution of money, but also for the receipt of public moneys and the preparation of accounts. By designating the Minister of Supply and Services as the Receiver General we arrive at a straight line proposition from the receipt of the moneys to their ultimate payment and the preparation of the accounts relating to them.

In addition to the services I have already outlined in connection with cheque issuing, the service side will also assume from the Comptroller of the Treasury responsibility for administration and accounting in connection with superannuation, employee benefit programs and a variety of similar services.

It might be useful at this point to discuss briefly the philosophy behind this department. I think it is reflected in the Glassco assessment that an organization whose responsibilities are as broad and whose objectives are as wide as those of government ought to have a common service element. It is evident that apart from the financial advantages of reorganization along these lines it was wasteful of the time of individual departments to find themselves obliged to perform these support services for themselves. This is the whole rationale behind what we are now proposing. I am satisfied, from what I have noted to date and from what has already been accomplished, that this is a very wise proposal and one which will be of considerable benefit not only in terms of dollars and cents, though this is important, but also because it will enable us to develop within a single department a pool of talent and expertise which will be available to the whole of the public service. This will discourage the proliferation of service branches in individual departments, none of which might be large enough or sufficiently equipped in itself to do the job required. From now on they will be able to ask this new department to provide them with service on a reasonable basis.

My own personal approach is that these departments will be clients of ours. This work is not something we can do on a casual basis without being concerned about timeliness or efficiency. Ours, quite properly, is a business-oriented department and the more it can be business-oriented the better. I cannot sufficiently emphasize my determination to ensure that our clients are happy.

In some of these cases, as I have said, we have statutory responsibility. The departments have no choice but to accept these services from us; they are not able to pick and choose. For this reason it is my intention to establish an advisory committee within the government service, probably at deputy minister level, so that there may be a group which will have an opportunity to pass judgment on the manner in which we are performing and which can let us know, if necessary, where we are falling down on the job. This group would also be able to make suggestions as to ways in which we could improve our service.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask a question at this point? I agree wholeheartedly with the general philosophy the minister is advancing about the advantages to be obtained by providing a central service carried out by people with special talent and expertise. However, the system might break down if there were too many demands on it at any one time and staff was not available to meet all the demands. I assume that some orders of priority will have to be established. But who is to determine the order of priority? Will it be the responsibility of the hon. gentleman?

• (3:20 p.m.)

Mr. Jamieson: Yes, to some degree it is. The position is that we will consult—in fact, we have already started consultations—with the different departments regarding the timing of bringing them under, if you like, our over-all umbrella. We have a chart, which I would be delighted to show the hon. member, indicating the progression up to 1971 or 1972, before we embrace them all. It is for precisely the reason that the hon. member mentioned that we have done it in this way. We do not want to bite off more than we can chew.

This is why we have also established a pilot project in terms of material management in

Ottawa so that it is close to departmental headquarters. Various problems will be worked out at this level when they arise. So I assure the hon. member that it is not our intention to rush in in any way until we are sure that we have the capability and the personnel to do the job.

The other side of this is that as opposed to the obligatory services to which I have referred there are those which are optional to the department, such as data processing, management consultant services and that sort of service, and we are proposing to look closely at the wisdom of making a charge for this sort of thing. In the case of data processing, that is now being done. This assumes, if the department has to pay for it, that it will not be irresponsible in its request, first of all, and look for more than it needs; second, it also has the beneficial effect, it seems to me, of keeping the services personnel on their toes, because in effect they must compete with private interests in many instances. So that these are the two areas where we have managed to put in the kind of control that the hon. member mentions.

I should now like to move on quickly through the remainder of my comments. The department will have two deputy ministers. There will be a Deputy Minister of Supply and a Deputy Minister of Services. Their functions will be roughly along the lines I have mentioned, though again we have perhaps a unique development, in terms of a department, in that we have a common service element within the department. On the administrative and personnel sides there is one official in each of these categories who is responsible jointly to the two deputy ministers. So there are, if you like, parallel structures on the administrative and personnel sides. There are common administrative and common personnel services, and the heads of these two services are responsible to both deputy ministers.

I think I have covered most of the points in which hon. members may be interested. Not only will I be interested to hear hon. members' comments, but I shall be pleased to do what I can to answer any questions they may have.

Perhaps I might have the indulgence of the committee to make one final point, though I do not think it flows in sequence from the bill. I should like to discuss the Mint very briefly, and I ask hon. members whether they would agree, having gone through the clauses of the bill dealing with the Department of Supply and Services, to discuss the Mint immediately thereafter, since it is part of the responsibilities of the Minister of Supply and Services.

Mr. Stanfield: Has the minister really got a licence to print money?

Mr. Jamieson: I only wish I had. However, I must report that I have already been advised that there are no free samples.

Mr. Sharp: Yes, that has been denied.

Mr. Knowles (Winnipeg North Centre): That was the business you were in before you came here.

Mr. Jamieson: According to Lord Thomson. I am sure all hon. members are familiar with the story with regard to the Mint so I do not have to go into it in detail. It is proposed to establish the Mint as a Crown corporation in order to eliminate, among other things, the problem that arises from the need to move quickly to make up a coin shortage. At the present time the Mint must function in accordance with the normal provision of moneys through this house. The details are set out in the legislation, and again if there are any further questions hon. members may have I shall be more than pleased to answer them.

In summary, then, this is a very wise concept. It is virtually on all fours with the recommendation of the Glassco commission and brings into play many of his most important suggestions. The experience that we have had even in the last few months confirms the wisdom of the Glassco assessment, and I hope that as time goes by we will be able to prove it even more.

Mr. Hales: Mr. Chairman, I am sure we all appreciate the very fine introduction by the minister of this new department. We have been able to follow his presentation very well. I am glad to learn that the government is adopting more of the Glassco commission's recommendations, and I would be remiss if I did not take this opportunity of reminding the committee that one of the finest actions of the former Conservative government was to appoint the Glassco commission in 1958 or 1959. The commission published its report in 1962 and one of the suggestions it then made we are dealing with today. I am at a loss to know why it has taken so long to set up this new department. It is almost seven years

since Glassco made this particular recommendation and I think it should have been adopted before now.

The Department of Defence Production has always been a misnomer, at least since the war. It was given that name in wartime but immediately following the war I think we should have changed the name. It has always been the department that has bought supplies for the government and provided services. However, I am very happy to hear it will now be called the Department of Supply and Services. I might say that I am sure it will be in the hands of a good minister and we look forward to good results under his direction.

This minister spoke of area warehouses, but I should like to point out one danger that may exist with warehouses scattered across the country. Although in theory this proposal may be all right I think the department will have to be very careful to see that these warehouses are not overstocked, with surplus supplies here and there, hither and yon. Any public corporation will tell you that warehousing is a very expensive operation, and it is quite conceivable that the savings the department is trying to make could quite easily be eaten away by poor management, overstocking and surplus supplies.

With regard to printing services, I was pleased to hear the minister say that there will be a Queen's Printer for Canada. However, clause 48, on page 18 of the bill, reads in this way:

> The minister may, by order, appoint an officer of the Department of Supply and Services to be the Queen's Printer for Canada—

The word is "may". We on this side of the house would feel far better if the clause read: "The minister shall". We would then know for sure that there is going to be a Queen's Printer for Canada. Some observations have been made in the house that the name of this position is going to disappear, so we would prefer the word "shall" to the word "may".

I now come to that part of the bill that I find hard to understand. Glassco made many recommendations and suggestions, but he did not suggest that certain finances and the Receiver General of Canada should be within the jurisdiction of the Department of Supply and Services. For the life of me I cannot understand why matters of finance such as those we have been discussing today come within the Department of Supply and Services. To me it is like the chairman of the board of a corporation going to the treasurer and saying, "I am sorry, but we are doing away with your job; we are putting the purchasing agent in charge of finances." I cast no reflection on the minister's ability but, for the life of me, I cannot figure out who dreamed up the idea of making the Department of Supply and Services responsible for finance. It will be ridiculous for Canadians to have to write to the Receiver General of Canada in care of the Department of Supply and Services. All citizens expect the Receiver General of Canada to be either the Minister of Finance or the Treasury Board myself. I think this function should have been left with the Department of Finance or Treasury Board.

• (3:30 p.m.)

I understand that the Office of Comptroller of the Treasury is being abolished, as recommended by the Glassco commission. This work is now to be undertaken in various departments of government, each of which will conduct its own pre-audit. Deputy ministers will be responsible for that. They will be fully responsible for approving all payments that Treasury Board will have to make. I understand that 5,400 people work in the office of the Comptroller of the Treasury. What is to happen to them if that department is abolished? Where will they be moved and what will be the physical arrangements to take care of them? These are some questions we should like to have answered.

The idea that all departments will have to pay for the services they use is excellent. In so many words the minister said: "We have decided to charge departments for services we render, whether in data processing, consultation or any other field." In that way the maximum use will be made of existing facilities and we shall have a minimum of waste and inefficiency.

Until I arrived in the house I did not know I was to speak on this bill. May I say to the minister that I think the over-all recommendations contained in the bill are good but, as I said, for the life of me I cannot understand why the Department of Supply and Services is to carry out the functions of the Receiver General of Canada. The Mint is also to be transferred to this department. It really ought to be under the Department of Finance. What is happening to the Department of Finance? What will be its functions? Will it be shot to pieces, as seems to be the case? At one time it was next in importance to the Department of Justice but now it is being riddled with holes and its importance is being diminished.

Mr. Knowles (Winnipeg North Centre): Now they will have time to dream up more taxes.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Now we can have two or three budgets a year instead of one.

Mr. Hales: Yes. I disagree with the minister's assertion that the recommendation with regard to the Mint came from the Glassco report. I do not think it made any such suggestion, nor did it say that the Receiver General of Canada ought to be the purchasing agent of Canada. I am sure that Glassco would have preferred to see this activity left to what might be termed the secretary-treasurer of the corporation of Canada.

Having made these remarks I shall finish by saying that we look forward to hearing further comments from other hon. members. When we examine the specific clauses of the bill I am sure hon. members on this side of the house will have a great deal to say about the proposed changes.

Mr. Burton: Mr. Chairman, as has already been noted, the establishment of this new department is the result of some of the recommendations of the Glassco report. As the hon. member for Wellington noted, that report was submitted to the government of Canada on October 1, 1962. Now, six years and several months later, we are finally establishing this department. In delaying so long in the establishment of the department the government has not displayed the efficiency that the commission recommended it ought to display.

The bill also provides for the appointment of two deputy ministers. This move may be justified by the proposed structure of the department and especially by the structure of the lower levels. Yet at first blush it could be questioned. Clause 44(2) on page 16 of the bill says in part:

> The Minister shall
>
> (a) investigate and develop services for increasing the efficiency and economy of the public service of Canada;

Many will wonder whether these aims can be achieved by using the means proposed. I am sympathetic to the idea of having adequate management at any particular level of departmental structure; yet I think the proliferation of officials in various positions needs to be watched. I do not say we should decrease the number of officials in the department, but we should make sure that we do not have more people in any department than are necessary to carry forward the objectives and policies of the government with respect to that department.

As the minister noted, the new department will be concerned with purchasing supplies and other related activities. It will also rationalize services to be made available to other government departments. I think we ought to examine some of the implications of this move and determine how it may affect the operations of government and government policy. Because of many new developments in government structures this move ought to be looked at carefully, although not necessarily along the lines suggested by the hon. member for Wellington. Primarily, the new Department of Supply and Services will deal with the purchasing of supplies and with various aspects of management and technical assistance to other departments. I understand that Treasury Board exercises financial control over government operations.

Finally, there is the Department of Finance which, after all, has the primary responsibility for fiscal and monetary policy and for the over-all direction of our economic affairs. As has been noted, the Department of Finance is to be relieved of some of its responsibilities. I do not think we should criticize this move. It seems to me that the Department of Finance is becoming a department responsible for economic affairs. This development is to be welcomed since we need a department or government agency that will be able to cope with our economic problems in the future.

I think that we need better co-ordination of government programs all the way along the line. Empire building within government departments must cease. Although we all concede that civil servants serve the government well, we must also remember that at present the Public service is a fragmented structure and ought to be co-ordinated into a homogeneous whole. Very often what is said by a government department is not said on behalf of the government as a whole. Because of fragmentation within the public service it is quite possible for the voice speaking on behalf of one government department to be in conflict with voices speaking for other government departments.

• (3:40 p.m.)

When the Glassco report recommended centralized purchasing services, it was looked upon in some quarters as a great new idea. This is old hat to those of us who have lived

in the province of Saskatchewan. I would like to recount for a minute the history of the purchasing agency in Saskatchewan. It was established in 1944 when the C.C.F. assumed the reins of office in that province. One of the first steps taken by the present leader of the New Democratic Party when he became premier of the province of Saskatchewan was to establish an agency to purchase all supplies for the government. It did away with the situation which now exists federally and which the government of Canada is attempting to abolish. The existence of the purchasing agency in Saskatchewan over the past 25 years has saved the people of that province many millions of dollars.

If this plan is introduced at the federal level we must consider the circumstances that apply. The desirable and worth-while objectives of centralization are not achieved automatically. This depends on the effectiveness of the implementation and execution of the program. The theory that a government as a whole may be able to purchase 50 million pencils at a lower unit cost than one department can purchase 2 million pencils does not necessarily apply to the size of operation of the government of Canada. Other factors must be examined as well. One must not only take into account the saving of pennies on a particular improvement but also the costs in terms of the effect on implementation of programs. By centralizing the purchase of supplies $10,000 or $20,000 may be saved, but delays and red tape may cost much more in terms of the reduced effectiveness of programs.

I subscribe to many recommendations of the Glassco commission report but not to all. The Glassco commission report started off on the wrong premise by stating in effect that government is a necessary evil. I do not view government in that context, although I do not feel that government is automatically the best vehicle for all phases of life in our society. By starting off with a rather poor premise, the Glassco commission report reduced the effectiveness of some recommendations and approaches in the various aspects of its report.

The report correctly noted that in the year 1960 the government of Canada spent more than $1 billion for materials, supplies, equipment and service. It noted large inventories across Canada, the cost of keeping these inventories and the duplication of various services. In dealing with one aspect the commission concluded that warehousing and materials handling operations were unduly dispersed and fragmented. In 1960-61 the government operated 248 principal warehouses and 348 sub-stores located in 79 centres in Canada and abroad. Most of these were operated by civilian agencies, but in terms of dollar value an overwhelming proportion of the total inventory was held in 37 warehouses of the Canadian army, navy and air force.

The Glassco commission report recommended a central purchasing agency to serve civilian and military departments and agencies but not Crown corporations. The report recommended that the Department of Defence Production be absorbed in this process. It also recommended that the new department be given responsibility to develop in conjunction with user departments and agencies standard specifications for all appropriate items and to assume the function of the specifications board, including representation on the directorate of interservice departments for the Department of National Defence. There were other recommendations in the area of purchasing which I am sure the department will consider carefully.

The second major area of activity of the new department about which I am concerned is the rationalization of some services provided to some departments. This involves elements of managerial leadership and technical services required by government departments in order to carry on their operations in the most efficient manner. Leadership in this field is essential if Canada is to have the best possible government and if the people of Canada are to have respect for government. A commitment by the government is required with regard to the principle of political, economic and managerial planning. If this is not done the results of management operations will be indifferent and varied. The desired objectives will not be achieved by tinkering with the nuts and bolts of government structure. What is required is a basic commitment to the principles I have enunciated. Efficiency in the field of operations and management can be achieved. It is difficult to measure the results of such efficiency. A cost-benefit analysis or even more refined approaches must be used in gauging public programs. Private operations measure their performance on the principle of profit and loss. This is an important principle to bear in mind when considering public programs, and it is one of the items the Glassco commission did not consider sufficiently.

There is a great deal of misconception in Canada about the nature of government. Government effectiveness cannot be measured in the same way as the operations of a private corporation. There is cause for concern about some aspects of the establishment of the new department. The new department will involve the absorption of the Department of Defence Production. That department has done much good work in the past, but if the new department simply changes some labels this will not do any good.

We should also note the implications of this change in terms of the past operations of the Department of Defence Production. The Department was, by definition, concerned entirely with questions of military procurement. It seems to me it will be recognized in the future, as it has been in the past, that a large part of the purchases made by the new Department of Supply and Services will be made for essentially military purposes. Therefore I think we need to bear in mind that some of the concepts and approaches followed in purchasing supplies for military operations and for other military inventory will be somewhat different from those applying to the requirements for the civilian aspects of government which, after all, are more important to the every-day lives of Canadians.

• (3:50 p.m.)

We need to avoid the possibility that some of the concepts involved in military procurement will be carried over automatically into the operations of the new department because it seems to me that the implications and the effects on the operations of government as a whole might in some cases be poor. We should bear in mind the failures in performance of the old Department of Defence Production, as revealed in information given by the Auditor General in his annual reports. I had occasion to look at the reports with respect to the repair and refit of H.M.C.S. *Bonaventure*. The initial estimate for this mid-life refit was $8 million, yet according to the latest information available the final cost will be in the order of $13 million. Some of this increase certainly can be justified but it seems to me that a great deal of the unanticipated cost increase was due to poor management and poor techniques in terms of estimating the cost requirements. This has implications when the government is making policy decisions. If the government does not have accurate figures on cost estimates this can have a very detrimental effect on its over-all operations.

[Mr. Burton.]

A similar situation applies with respect to the development of the new hydrofoil ship. Here we have a case where initial estimates supplied to the Treasury Board indicated a cost of $9.1 million on an initial funding basis. It was recognized at the time that there would be certain other costs, but according to the most recent figures the final cost of this new vessel will be in the order of $50 million. Again, some of this increase in cost can be justified for a number of reasons, but it seems to me that there has been some very sloppy and very poor estimating. In fact, it places the government in a very difficult position when it finds it has authorized an expenditure on the basis of an initial estimate which has turned out to be faulty and inaccurate in the long run. Government today cannot operate on this sort of ad hoc, sloppy basis.

Some of the poor management involved in the case of the hydrofoil was illustrated in the report submitted on the fire which occurred during its development. Here we had a case where the government gave a contract to a private company to develop a new ship. It gave it complete responsibility and complete authority in developing it. The company also had to develop its own inspection system and provide its own firefighting services. It was paid for all these services on a costing basis, but when the fire occurred it turned out that the government had to assume complete responsibility for the cost of that fire. It seems to me that this indicates gross negligence and very poor management practices within government services. This is part of what needs to be corrected if we are to have effective government in Canada in the future, and I hope this is not the kind of efficiency we are going to get from the new department.

As I mentioned previously, the mechanical transfer of some of the operations of the Department of Defence Production to the new department will not solve the problem by itself. It seems to me it involves a commitment to a new order and action to implement commitments to new principles of managerial operations.

I could comment on other aspects of the operations of the Department of Supply and Services, including contracts and the policies to be followed in that respect, the matter of consultants and so on, but there are one or two problems I would like to deal with briefly. One of them is the question of "make or buy". This is a matter that very often comes under public discussion.

A good deal of political ideology and assertion are found in some of the statements made with respect to what governments should do in this regard. Some assert that everything should be left to unfettered free enterprise or private enterprise. They say that everything should be left to the private sector and automatically this will produce the supplies should be obtained from the private sector and automatically this will produce the greatest benefit for the government. It seems to me that this is certainly not the case.

In this regard we must view with some reservation the simple assertion of the Glassco commission, based on some studies it made, that wherever possible the government should buy. While I believe that private business can often do a job within our economy and society very efficiently and well, I certainly recognize that this is not necessarily and not always the case. So far as I am concerned, I am prepared to judge various situations on the basis of their merits and make decisions that will be in the interests of the economy and the country as a whole. I might give an example here with regard to the Saskatchewan government. In spite of the fact that certain supplies and various services were obtained internally within the government, it was often decided, because of a number of reasons, to buy other items rather than to make them. It seems to me that we need to take a pragmatic approach to this question and at all times keep in mind the public interest. The public interest does not always consist in making sure that certain private firms get the greatest possible amount of business. I also recognize that the Glassco commission made a valid point when it noted that in carrying on secondary activities within a government department the attention of officials can sometimes be diverted from the basic programs and purposes of the department.

One reason I doubt some of the advice of the Glassco commission in this regard, or some of its assertions about make or buy, was illustrated a few years ago when, following the 1964 change of government in the province of Saskatchewan, a royal commission on government administration was appointed. I certainly had a great deal of doubt about its conclusions in regard to make or buy inasmuch as it also concluded that the government should buy in all possible cases. I question the manner in which it accepted evidence as to the facts.

Mr. Jamieson: What year was that?

Mr. Burton: The report was submitted in 1965. On this point the royal commission accepted evidence very selectively. For instance, in the field of highway costs it noted that on a number of occasions it had been shown that the private sector could do the job cheaper than government crews, but when evidence was presented showing that certain government crews were able to do the job at a lower cost it dismissed that evidence as being irrelevant and not coming within its orbit of consideration.

I urge the judgments be made on the basis of merit in the light of all the factors. For example, on the question of highway cost, while I recognize this is a provincial matter I point out that the construction of highways may be cheaper using one method or the other, but if you rely entirely on one method, either on contracting out or doing the construction yourself, you may hold up the program. If you depend entirely on private contracts you may have instances where you cannot obtain bids. This involves various implications since, if you are then going to do the job yourself, you may have to assemble your own equipment at a great deal of cost, and certainly you are not going to assemble that equipment for one particular project.

Another point that came to light is that there is variability over time in the relative costs of doing various jobs or carrying out various functions by either public agencies or private agencies. It has been shown in a number of quarters that sometimes the job possibly can be done cheaper by a private than by a public concern, but that on other occasions it can be done on a cheaper basis by the public concern. I submit that this factor cannot be judged unless there is some government activity. For one thing, it is easier to keep the private sector honest when there is a certain level of public activity.

• (4:00 p.m.)

Highway construction which is a provincial activity, illustrates the point that unless some highway or road construction is carried on by public crews there is no yardstick by which to measure whether value is received from the private contractors whenever such jobs are undertaken by them. I believe that more objective consideration should be given to this point.

I should like to note as well, since the Canadian Commercial Corporation will come under the jurisdiction of the minister, that the purpose of this government agency is to

arrange and manage contracts for Canadian goods on behalf of other national governments or international agencies. It is largely devoted to the export of material but does engage in other activities. It would seem to be the perfect starting point for carrying out the recommendations of the Watkins report that a government agency be set up to deal with Iron Curtain countries so that Canadian subsidiaries of United States firms would not have an excuse for not attempting to obtain contracts with these countries. They would deal directly with the Canadian Commercial Corporation which in turn would deal with the state trading agencies in some of these other countries.

I might deal with one other specific matter which will come under the jurisdiction of the minister having to do with moving and storage. This is a fairly important item within government operation because of the movement of government personnel throughout the country and because of various other requirements of the government. The minister will be aware that there have been some complaints concerning recent government policy and practice.

As I understand the matter, the federal government first instituted a new system of purchasing moving services at the start of 1969. Prior to that time civil servants who were being moved would obtain estimates from three moving companies acceptable to the government and would then make a choice concerning which firm they wished to move them. With the new system the employees' choice was taken away and the decision is made by the Department of National Defence in the case of service personnel or the Department of Defence Production in the case of all federal government employees as to who will receive the business. I understand that the business was supposed to be rotated among those carriers which met the government standard of equipment and service, as published in the government of Canada list of acceptable carriers.

The Chairman: I must interrupt the hon. member to advise him that his time has expired.

Mr. Burton: Mr. Chairman, may I have leave to conclude my remarks?

Some hon. Members: Agreed.

Mr. Burton: Since the introduction of this new policy the government has switched and is now giving its business entirely to one particular van line, Atlas Van Lines. This van line originally published a lower tariff than did the other carriers in Canada. I might note it is my understanding that while Atlas Van Lines does meet the minimum federal government standards, its standards in terms of warehousing and equipment are not of the same high quality that is found among most other acceptable carriers. Since this van line published a lower tariff the other carriers have met its rates, but the latest information I have is that the federal government is still awarding all its moving business to the one company that was the first to cut rates.

There would seem to be some element of discrimination here. Although I cannot support this I have heard that Atlas Van Lines has undertaken this policy and approach on other occasions in an attempt to obtain business with the idea that once it had a corner on the market it would be free to start raising its rates again. I certainly hope the minister will take steps to ensure there is an equitable policy that will apply to the various van lines which are interested in this type of business.

In conclusion I might note that while there is a potential for improvement in government operations and services by the establishment of the new department, particularly in the area of the technical services referred to by the minister, I think we should take note of the fact that the simple transfer of functions in the area of purchases and supplies from other government departments and branches to this new department will not automatically bring about an improvement in government services. In fact, there are a good many questions which could be asked in this regard. I believe there will have to be a basic change in government policies and governmental approach to some of these questions before there is a real improvement in this aspect of government operations.

[*Translation*]

Mr. Fortin: Mr. Chairman, this debate on Part V of Bill C-173 concerning the creation of a Department of Supply and Services makes us wonder whether the present problem will be solved merely because the name of the department will have been changed, even if it should offer increased services.

Mr. Chairman, I would not want to prolong this debate unduly, as the hon. members who spoke before me have already raised some points on which I intended to speak. In fact, the spokesman for the New Democratic party

has given us a brilliant summary of the general philosophy of the Department of Supply and Services.

First of all, I would like to offer my sincere congratulations to the new Minister of Supply and Services. If he brings to his job the same vigour and spirit with which he introduced the bill, we shall, I think, have to commend him on his work when he tables his first annual report.

Mr. Chairman, I do not want to prolong the debate unduly. I do wish to make some contribution to it, following in the minister's footsteps, and it is for that reason that I wish very humbly to draw his attention to a point which we of the Ralliement Créditiste consider of the utmost importance.

• (4:10 p.m.)

I hope he will be able to foretell all the consequences likely to follow the creation of the new department, in connection with as fundamental and as important a subject as bilingualism.

Mr. Chairman, Bill C-173 is broken down into 15 parts and involves several departments. Whether they relate to the Department of Fisheries and Forestry, to the Department of Industry, Trade and Commerce or to the Department of Supply and Services, amazing provisions are to be found therein, and I do not so much blame the ministers as those who conceived and drafted this bill.

I do not understand why the very people who are planning to renovate the organization of Canada, to streamline it, to modernize it, to adapt it to the modern concepts of management, based on the guidelines and findings of the Glassco Royal Commission on Government Organization, did not think of incorporating to the bill provisions relating to bilingualism. That is the point on which I wanted to draw the minister's attention, and I shall give him only one example to illustrate what I mean.

On December 3 last, I put on the order paper question No. 936 which reads as follows:

Among the employees earning $17,000 or more per year—

Why that figure of $17,000 per year? Because, according to the administrative criteria of the government, civil servants become senior officials when they reach approximately that salary.

Among the employees earning $17,000 or more per year in the Department of Defence Production, how many are (a) Canadians whose mother tongue is French (b) Canadians whose mother tongue is English (c) others

Chinese, Japanese, Ukrainian, etc.

(d) bilingual?

Here is the answer I have been given, and I quote:

(a) Four;
(b) Seventy-one;
(c) One;
(d) Twelve.

Now that a new department is proposed, the Department of Supply and Services, my first question is the following: As far as bilingualism is concerned, will the same discrimination, unfairness and injustice prevail as in the former Department of Defence Production?

Mr. Chairman, the matter has the utmost importance. I do not wish to flout the minister, because I know he can cope with the situation and give us, at the end of the debate, some explanations or, at least, the assurance that he will have several bilingual counsels at his service. In any event, when I conclude my brief remarks, I could make a few suggestions, after which he could express his opinion.

Mr. Chairman, I am afraid the establishment of those new departments will only amount to a change of names. The administration is improved, and perhaps made more efficient and up-to-date, but there is no solution to the fundamental problem of the federal administration which on the whole is Anglo-Saxon and in which there are no qualified French Canadians since the opportunities are not the same for French-speaking and the English-speaking public servants.

And I will quote another example, Mr. Chairman, to show the seriousness of that problem. On November 21 last, I put on the order paper a question related to the Polymer Corporation Ltd., which then was under the jurisdiction of the Department of Defence Production. My question was identical to that which I quoted a moment ago, except that it concerned the Polymer Corporation Ltd. Here it is:

Among the employees earning $17,000 per year or more...how many are (a) Canadians whose mother tongue is French (b) Canadians whose mother tongue is English (c) others (d) bilingual?

Here is the answer which I received, and I quote:

(a) The mother tongue of 2.5 per cent of the employees is French.
(b) The mother tongue of 95 per cent of the employees is English.
(c) The mother tongue of 2.5 per cent of the employees is neither French nor English.
(d) 25.6 per cent of the employees are bilingual.

Mr. Chairman, it is unbelievable that the Polymer Corporation should have among its employees as many senior officials with a salary of $17,000 or more and whose mother tongue is neither French nor English than officials whose mother tongue is French.

As far as I am concerned, Mr. Chairman, to go to the bottom of it, I asked another kind of question about the same company, and I am going to quote the answer given. That takes the cake, as the Quebecers of the Lotbinière constituency would say. I therefore asked: For each of the proprietary Crown corporations, how many employees speak French only, how many speak English only and how many are bilingual?

For the Polymer Corporation, the answer was a very short one. I was told that none of the 2,744 employees of the Corporation spoke French only. There is no need to go on, because this is most provoking and is a clear indication of discrimination. But as I do not want to delay any further this debate, I want to tell the minister that we set very high hopes on the new concept of administration brought up in this bill and we agree on that. We approve this new department and the new practice it advocates in management, but we are very much concerned over the much talked-about question of bilingualism.

I have many more statistics to quote, but I should like to tell the other ministers concerned that nearly every department is facing the same problem.

Mr. Chairman, I know that the honourable minister who is suggesting this new department is among those best able to correct the injustice done to bilingualism.

I noticed that at the very beginning of his speech, he did not talk about bilingualism advisers. Will there be any in his department? If so, how many? Will courses be organized to provide a greater bilingual service? Will the ratio for bilingual officials earning $17,000 and over a year be more balanced than the one I mentioned, namely 4 against 71?

Mr. Chairman, I do not want to delay the debate any further, but I must insist on that question of the utmost importance. I trust that the minister will be able to give us satisfaction in that respect.

Finally, Mr. Chairman, there is another matter which puzzles me very much, that of the Queen's Printer. Section 48 and the next ones provide that one of the deputy ministers shall be an officer of the new Department of Supply and Services, replacing the Department of Defence Production and posted to the Printing Bureau with the title of Queen's Printer.

• (4:20 p.m.)

The first problem I see is the following: if Canada is truly a sovereign and independent country, named Canada and not Great Britain or whatever you like, it seems to me out of date to still use in our legal texts such archaic expressions as "The Queen's".

Mr. Chairman, notwithstanding any respect due the United Kingdom, we could exclude from our legislation expressions reminiscent of a kind of colonialism out of fashion in our midst.

Therefore, Mr. Chairman, I believe that it would be advisable to strike out such expressions in our legislation, and I am surprised that while aiming at modernizing and updating the organization of the government in the light of 1969 concepts, we should persist in threading the beaten paths of colonialism. Therefore, we should not wonder why so many people are questioning the value of our legislation and the modernization of our government. For every step forward that we take, we take one backward; we move like a crab, which means that we are motionless. That is what our governments think.

My last remark is about the office of Queen's Printer. In the answer he gave on Monday or Tuesday to the hon. member for Prince Albert, the Prime Minister suggested that the position of Queen's Printer has now been vacant since December. It is very difficult to get information, but I would like to be enlightened on that subject. Is the office of Queen's Printer vacant or not? Who suggested to the Queen's Printer to resign, or did he resign on his own? In what department is Mr. Duhamel now working? We would like to know, to congratulate him on his new appointment.

In my opinion, it is fundamental that we be informed since there is every reason to believe, and I refer to the very remarks of the Prime Minister, that the Queen's Printer, Mr. Duhamel, was doing a fine job. He was one of the few French-speaking deputy ministers in the Department of Defence Production. Mr. Chairman, we doubt that the government sincerely wants to establish bilingualism since it downgrades the sole survivor of the French Canadians in that department.

That is why we nourish the hope, Mr. Chairman, that bilingualism will be a living, effective and accepted reality, not only for the minister, but also for government officials.

As for the new Department of Supply and Services setting an example for the others, so that the federal government can be really bilingual, the true image of Canada, since all of us here seem to want a bilingual Canada, it is up to us and the various departments.

[*English*]

Mr. Thomson: I want to put a question to the last speaker, if I may, Mr. Chairman. First of all, I should like to apologize for not being able to ask it in French; I hope to correct this before too long. My question is with regard to bilingualism in this or any other department. I did not quite understand whether the hon. member for Lotbinière wished this to happen automatically at the top level. It might not be possible to get bilingual people immediately who could do all the types of work necessary. What was the intention of the hon. member in this regard?

[*Translation*]

Mr. Fortin: Mr. Chairman, I wish to thank the hon. member for his question. It gives me the opportunity to show how important it is to establish bilingualism at every level of the government machine and within the departments.

I believe that if bilingualism is possible, we must establish it at every level of the government structure. To give but one example, having examined the questions on the order paper and the annual reports of the various undertakings of the Canadian government, I have come to the conclusion that bilingualism is not getting a fair treatment. In fact, the answers the government gave me regarding the Bank of Canada, the Industrial Development Bank, Atomic Energy of Canada Limited, Eldorado Mining, COTC, the Central Mortgage and Housing Corporation and Polymer Ltd. indicate that 14.7 per cent only of the board directors are French-speaking against 85.3 per cent English-speaking.

You have only to compare those figures to the respective ratios of French-speaking or English-speaking Canadians to see that the federal administration does not reflect the true image of Canada. This is why I tell myself that if the government must reflect the true image of Canada it must do it at all levels. Does this answer the question of the hon. member?

[*English*]

Mr. Crouse: Mr. Chairman, I listened with interest to the Minister of Defence Production as he outlined the setting up of the new department which will be called the Department of Supply and Services. It is heartening to note the manner in which the minister has taken on his new duties and, in true maritime fashion, is endeavouring to get his department shipshape. We look for great things from the minister—I am not sure whether I should call him the Minister of Defence Production or the Minister of Supply and Services—and I hope he will not let us down.

The prime intent in the drafting of all legislation, is to bring greater efficiency to government services. The same is true in the case of this legislation, and according to the information which has been supplied to the Public Accounts committee by the Auditor General, it is high time that some attempt was made to procure and to purchase requirements in a more efficient manner.

In clause 46 (3) at page 17 of the bill it is stated:

> The minister shall provide, on the request of a department, any or all of the following services, namely:
>
> (a) management consulting services;
>
> (b) data processing services;
>
> (c) accounting services;
>
> (d) auditing services;
>
> (e) financial services; and
>
> (f) such other services of any kind as are within the duties, powers and functions of the Minister under this Part.

Like my colleague, the hon. member for Wellington, I cannot help but wonder about the power which will be vested in the minister of this new department. I personally believe that the office of the Receiver General, for example, should have been retained under the Minister of Finance, not that I have any doubts about the ability of the present Minister of Defence Production but because it seems to me that the duties of the Receiver General go well together with finance, somewhat like fish and chips. I believe that greater government efficiency could be achieved if these two departments were kept together.

The same rule of thumb applies to the auditing services which will now come under the Department of Supply and Services. Quite frankly, when the department came under the office of the Comptroller of the Treasury, a heavy responsibility was put on the Auditor General. But I believe that the change proposed in this legislation will lay even

greater responsibilities on the Auditor General and his staff. As a result it will be necessary to provide more funds for the enlargement of the Auditor General's office and staff so that he will be in a position to carry out the new and heavier duties which will be imposed upon him.

I note with interest that the new department will have two deputies, the Deputy Minister of Supply and the Deputy Minister of Services. I do not know, of course, where this proposal came from but I wish to register my strong objection to this course and to this part of the legislation. In maritime terms, the minister is the captain of the ship and, normally, for good operational efficiency a ship has only one captain and only one mate. It has been my experience that whenever there is a division of authority there is always a danger that nothing will be done. If the captain could always be on watch the mate would do his bidding, but I know that the minister, coming from Newfoundland, will realize that no man can stay on watch for 24 hours. He has to turn in sometimes, and when he turns in he is not watching what is going on, so that just about anything can happen. After all, this new department is really only a revision of the old Department of Defence Production with some new duties added. From the information provided to us by the Auditor General it seems to me that we have already had too much division of authority in this department, and a study of the evidence before the Public Accounts Committee would indicate that a tightening up of the procedures that are followed is long overdue.

Mr. Baldwin: Maybe they have a pilot for the port side and a pilot for the starboard side.

• (4:30 p.m.)

Mr. Crouse: I do not know if that is correct but I believe that this aspect of the legislation should receive a second look from the minister. There is a tendency to say: Let George do it. One deputy minister may well look to another, thinking he will do the work, and as a result nothing may be done.

The refitting of the *Bonaventure* is an example of what can happen. Recently we examined this affair in the Public Accounts Committee where we learned that improper estimates, poor supervision, insufficient inspection, slipshod purchasing regulations and improperly drawn contracts had led to an escalation in the estimated cost of refitting from $5 million originally to somewhere in the vicinity of $12½ million.

The lax management practices revealed in connection with this project have been paralleled only by what took place in connection with the hydrofoil as disclosed in further evidence before the committee. Here was a highly sophisticated defence ship planned by the National Research Council for use by the navy at an estimated cost of $9 million. To the best of my knowledge, the National Research Council, the Department of Defence Production and the Department of National Defence all had a hand in the development of this ship. But in my opinion there was no single, real authority in control. The estimated cost, at the beginning, was $9 million. To date the hydrofoil has cost more than $53 million, and there are still grave doubts about the ability of this vessel to perform satisfactorily as an operational unit.

Further evidence of what happens when there is no one in real authority was placed before the Public Accounts Committee this morning, and I refer to this point because I believe it to be an important one. I do not want to see the minister start out on a voyage with two mates when I believe one will do. We were told that the contract for this ship was given to de Havilland; this company was to have full responsibility for the design, development, planning, inspection and delivery of the ship—full responsibility for the entire project. A fire broke out at a time when there were no officials from the Department of National Defence on board. They were not notified that tests were to be carried out. The fire cost somewhere in the neighbourhood of $6.5 million. We learned there were no government inspectors on this project, and we were told none were required, apparently because de Havilland had assumed full responsibility. Nevertheless, when it came to paying the bills it was not de Havilland that was required to pay the cost of its own incompetence in failing to provide proper inspection. By some strange alchemy which I cannot understand, the cost of this fire was placed on the backs of Canadian taxpayers. Mismanagement of this type calls for a tightening up in procedures, and this is why I question at least one aspect of the legislation before us. If we endorse it we may find ourselves going off on two different tangents.

After all, Mr. Chairman, what is supply? What are services? Who will be responsible for these services? These questions are not

clearly answered in the legislation and I believe they require more searching study.

Certain clauses of this bill give the minister vast powers. I suggest he take advantage of them to call for a quarterly review of all national research projects to ensure that we are not undertaking in Canada work on scientific developments which has already been carried out and perfected in other countries. Today, improvements take place so rapidly that it is possible to spend money researching projects which are already obsolete as a result of technical advances in other areas. This seems to have been the case in connection with our defence ship, the hydrofoil *Bras d'Or*, named after the area in which the principle was perfected more than 60 years ago on the Bras d'Or lakes.

The *Bras d'Or* displaces 200 tons and is 100 feet long. But the Americans already have hydrofoils in service of far greater tonnage and dimensions, specifically one named the *Plainview* which is 212 feet long and displaces 300 tons. I submit that national research projects should be studied by the advisory council which the minister proposes to set up as part of the machinery of this new department. If this course is followed there will, hopefully, be better control exercised over future projects of this sort and, of equal importance, better control over expenditures made in connection with these developments.

[*Translation*]

Mr. Mongrain: Mr. Chairman, earlier I listened with a great deal of attention to the remarks of the hon. member for Lotbinière on the bill under consideration. I admire his conjuring ability which made it possible for him to relate his remarks to the bill without being called to order by the chairman. I hope that for a few minutes, the chairman will show towards me the same leniency.

I fully agree with the hon. member for Lotbinière when he says that we, French Canadians, are not properly represented in the departments. However, I do not agree with his conclusions which, in my opinion, weaken his argument.

If we follow his thinking French Canadians who represent about 30 per cent of the Canadian people, should hold 30 per cent of the well-paid jobs in the public service. However, the hon. member for Lotbinière should not mention discrimination too often and too loud because I do not think that it is mainly a matter of discrimination under the circumstances.

I should like to tell the hon. member for Lotbinière very briefly and as kindly as possible because I know that he is trying, as we do, to get results and that deep down he would not like it—that we should not make a political bogey of bilingualism, which would of course take away the merits of his argument.

I admit that statistics are sometimes surprising in certain areas of the public service. This is a fact. However the hon. member for Lotbinière should tell the whole truth and recognize that if that was true 100, 50, 25 and even 15 years ago, it is no longer the case today. Let us admit at least that the government has taken steps to alleviate the situation and I shall point out to the hon. member for Lotbinière that we cannot reasonably expect a situation which has been so deplorable for a century, to disappear in two, three or even five years.

This is the work of a whole generation and if I wanted to be very mean I would say to the hon. member for Lotbinière "doctor heal thyself" because, among the hon. members of the Ralliement Créditiste who are calling out for bilingualism, to my knowledge at least ten of them are not bilingual. Still, they are members of parliament—

Mr. Fortin: Mr. Chairman, I rise on a point of order—

Mr. Mongrain: —who should grant to the others what they would have the others grant them.

• (4:40 p.m.)

[*English*]

The Chairman: Order. The hon. member for Lotbinière on a point of order.

[*Translation*]

Mr. Fortin: Mr. Chairman, I am very pleased to see that my remarks interested the hon. member for Trois-Rivières (Mr. Mongrain) to that extent. Personally, I am also very pleased to hear his obliging remarks and I hope he will believe me when I say that no prejudice is intended to anyone.

However, I refuse to accept, Mr. Chairman—and this to my mind is a point of order—the fact that the hon. member for Trois-Rivières says that I do not act according to what I say in the sense that at least ten members of the Ralliement Créditiste are not bilingual; if he went around his own party he would see that the proportion there of unilingual members is perhaps even greater. Nor

can I accept his assertion, Mr. Chairman, which I find more serious, that the situation has existed for a 100 years.

If, in a 100 years, people had not obtained justice, they would have risen and then bilingualism—

[*English*]

The Chairman: Order, please. The hon. member for Trois-Rivières.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I notice that the hon. member for Lotbinière is thin-skinned today because I tried to tell him that in as friendly a fashion as possible, by teasing him. I should like to point out to him that it is possible that in this house some hon. members are not bilingual, but unlike those of whom I am now speaking, they are not clamouring for bilingualism, accusing those who are not bilingual of discrimination. That is the difference. Now, I continue my remarks.

Mr. Chairman, in the last 5, 6, 7, 8 or 10 years, the federal government has made a marked effort, especially in the last three or four years, to promote bilingualism. I feel that when bilingualism is being discussed and it is demanded that a clause be added to all the bills specifying that a certain percentage of bilingual employees is a must, that is where there is discrimination, and dishonesty, because of the circumstances.

The government has set up language schools.

It grants bonuses to bilingual public servants and has appointed superintendents whose responsibility it is to supervise the way this principle of bilingualism is followed in all departments.

I repeat that the implementation of that policy takes time. I assume the hon. member for Lotbinière would not call for the dismissal by the government of all non-bilingual employees, for it would certainly be inhuman. The change will probably take place over a certain number of years.

I could moreover tell the hon. member for Lotbinière why we do not find in the higher spheres of the public service the number of bilingual or French-speaking public servants we would like to have there.

He knows as well as I do—since he is a learned man—that for a 100 years, our institutions of secondary education trained their pupils for the priesthood, or to become notaries or lawyers and neglected to turn out economists, sociologists, engineers, in brief, experts, while during that same century, the Anglo-Saxons in this country, either through immigration or otherwise, increased in their midst the number of such experts who simply monopolized the positions. And all of a sudden, we realized that they made up the great majority.

Cursing them or accusing them of discrimination will not solve the problem but we should rather qualify ourselves properly and apply for such coveted employment. The hon. member for Lotbinière knows that Quebec needs specialized technicians and therefore wants to keep them at home.

Moreover, the Anglo-Saxons are perhaps not by nature too anxious to emigrate, but the fact remains that more and more of them are coming over every year as the hon. member for Lotbinière knows.

He knows, for instance, that the general manager of the C.B.C. is a French Canadian. He knows that Air Canada has a French-speaking president and that all the other employees are bilingual. He knows, also, that the Chief of Staff of the Canadian Forces as well as a number of deputy ministers are French-speaking.

The hon. member is concerned about the problem of the library at the Printing Bureau. Maybe bilingualism is not the only problem in this connection.

Since I am not permitted to elaborate any further on the subject, I shall let the minister do so in due time. However, to say this problem is merely a matter of bilingualism is tantamount to fanaticism, Mr. Chairman.

May I suggest to the hon. member for Lotbinière—since we both agree on the principle that there are not enough French-speaking Canadians in key positions and since we want to settle the matter—that we should put an end to idle talk and to charges of discrimination where others are concerned. Let us simply do as I am doing in my own riding.

When, for instance, there happens to be a top position vacant in the public service, I let my riding know, I advertise it by radio, I mention it in my lectures and I contact personally those in my riding or area who seem to me qualified and ask them to apply and sit for the examinations. Quite often, I can take pride in the fact that people answer, apply and succeed.

The next few years will see more improvement in this field then we have witnessed in the past 100 years. I must admit there is some kind of discrimination, today. We find it

among a certain type of individuals. In my opinion, however, it is rather a cave of conflicting personalities. There is no such feeling at the government level which is responsible for these top positions. Of this, it has given signal proof for the past three or four years, to the point of getting blamed, in Anglo-Saxon circles, for opening too wide its doors to the French-Canadian side.

It was only fair for me, Mr. Chairman, to put the record straight in the house.

[*English*]

Mr. Skoberg: Mr. Chairman, I should like to congratulate the minister on his very brief outline of the bill. If the bill were as simple as his explanation of it I am sure there would be no questions on either side of the house in regard to the implementation of its provisions so far as the proposed Department of Supply and Services is concerned.

In the short time I have I should like to refer very briefly to supply and services as they pertain to consulting services and the types of contracts that are let which, as the minister suggested, will be under his supervision. I noted from the minister's remarks that these new services were optional. The minister assumes responsibility for management consulting services for individual departments.

Sometimes questions arise not only in the minds of members of parliament but also among the vast majority of the public in regard to the letting of contracts for government services, including both Crown corporations and individual departments. I should like to point out that I have six questions on the order paper dating back to December 3. I should like to refer to one in particular as I believe reference to it will outline the situation generally. I asked the government the following question:

> What are the government regulations with regards to the hiring of consultants, including advertising consultants, in order to assist government departments i.e., in the areas of planning, studies, feasibility reports, economic analysis, legal assistance, architectural advice, etc.?

The question then goes on to deal with other matters. If this question and the many others I have put on the order paper had been answered by now, many of the disappointments I have at the moment would have been removed. There appears to be some reason for not disclosing advice given by consultants generally, and I hope that when the minister replies he will relieve any fears I have about the hiring of such consultants.

• (4:50 p.m.)

Tenders for construction contracts are invited by public advertisement. Tenders are invited for purchase or service contracts by public advertisement, or a representative list or lists of suppliers is submitted. The intent of the pertinent regulations is not clear. It is bad practice for departments of government to choose consultants or other outside professional people who will be of service to that department from a preferred list. Also, there should be no preferred list of suppliers of any other services. I do not think that management consultant firms on the proposed list ought to be employed to the exclusion of other, similar firms. Many suppliers or firms of consultants will go to almost any lengths to be put on a preferred list. What bothers many in this house is that by employing firms on preferred lists the government may be indulging in political patronage, something we do not like to see. In fact, the preferred list could lead directly to political patronage.

Wherever possible I submit that Crown corporations should be included under this department as under the present regulations it is provided that these corporations may be included, but not necessarily. In advertising for tenders for any job the government should not be guided by any firms that may be on a preferred list. Suppliers of every service ought to be employed on their merits and not on the ground of political patronage. I hope the minister will clarify this matter later. Very often when a department retains a favoured consultant it is found that the consultant's report contains exactly what departmental officials wish to see. I suggest that in any democratic process this sort of thing is bad.

Some time ago the hon. member for Fundy-Royal asked in the house whether the government had considered implementing reforms similar to those applied in Sweden in this field. The recommendations and findings of consulting firms are not always made available to members of parliament, and this is bad. I agree that in special instances it is not in the public interest for such recommendations or findings to be divulged; yet I cannot help feeling that withholding such information is undemocratic. Speaking in the house on February 17 of this year the President of the Treasury Board said in part, as reported at page 5631 of *Hansard*:

> There are a number of instances in which investigations are sought, in which proposals are asked for or information is sought, which it would not be in the public interest to disclose.

Proceedings on Adjournment Motion

Many reports affecting government departments and operations are being brought down by consulting firms and not being made available to members of this house. We should see those reports if we are to do an intelligent job in making suggestions to the government. I submit it is not our democratic way of government to refuse hon. members access to such information.

In this year's budget the government has allocated about $397 million, compared with $329 million last year, for professional and special services, which no doubt would include consultants' services. Clearly, we are to spend more on consultants this year. We are well aware that the consulting field in this country is dominated by United States personnel and management techniques. The Glassco commission suggested that when the government employs consulting firms it ought to make sure that, wherever possible, Canadian consulting firms are employed. I was pleased to hear the minister say that an advisory committee would look into the use of the services bureau. That is a step in the right direction, and there will be little opposition to that from this corner of the house.

The Chairman: Order, please. The time being five o'clock shall I rise, report progress and request leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Kamloops-Cariboo (Mr. Marchand)—Television—Kamloops, British Columbia—Request for alternate service; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Income Tax—Deduction for babysitting service; the hon. member for St. John's East (Mr. McGrath)—Fisheries—Seals—Report alleging fraudulent film presentation of killing methods.

The time being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

[Mr. Skoberg.]

PRIVATE BILLS

LONDON AND MIDLAND GENERAL INSURANCE COMPANY

The house resumed, from Thursday, January 16, consideration in committee of Bill C-101, respecting London and Midland General Insurance Company—Mr. Lind—Mr. Faulkner in the chair.

The Chairman: When the committee rose on Thursday, January 16, clause 1 of the bill was under consideration.

On clause 1—*Change of name.*

Mr. Peters: Mr. Chairman, someone asked me the other day what the disposition of the bill concerning London and Midland General Insurance Company would be. I suggested there was an easy solution to the problem that has confronted that company in the past and may confront it in years to come, a solution that is within the purview of the sponsor of the bill. I wish to know whether he has conveyed certain information to the Avco Company or to Mr. H. P. Paterno, president of London and Midland General Insurance Company. A number of hon. members oppose the change of name, being of the opinion that the company will be United States owned and that Canadians will not have the opportunity of controlling it should they so desire.

• (5:00 p.m.)

We have gone into the reason advanced for the change before, and I disagree entirely. As I have indicated on previous occasions, I disagree with the contention of the sponsor of the bill that the company has lost money and wants to change its name because it is similar to that of a British insurance company. I indicated that the business of this company is increasing under the name of London and Midland General Insurance Company. I believe the reason is that the Avco Delta Corporation of the United States and Great Britain wishes to set up a company under their own name. This is a legitimate situation. If this is the reason, this company and other companies should give consideration to the national aspirations of Canadians who wish to own their own corporations and financial institutions.

The sponsor of this bill, if he has not already done so, should suggest to the president of the London and Midland General Insurance Company that this bill will have

speedy passage if this company will agree to a clause other companies have agreed to. That clause would provide for Canadian investment in the company and, over a period of time, Canadian control.

The question has been asked on a number of occasions why it is necessary to have so many of these companies doing business in exactly the same categories in Canada. I have before me the report of the Superintendent of Insurance for Canada, volume 2, which relates to the annual statements of fire and casualty insurance companies in Canada—Canadian, British and foreign owned. There are probably 1,100 companies in the casualty field doing almost the same type of business, and I cannot see any advantage in increasing this number.

The Union Mutual Life Insurance Company of the United States has been doing business in Canada for some time. They decided that rather than have a branch operation they would start a new company in Canada under the auspices of the federal Superintendent of Insurance. They provided an opportunity for Canadians to purchase that company. They not only investigated the possibility of Canadians being able to own the company, but they wrote into the act of what is now known as the Transcoastal Insurance Company the provisions that within five years they would undertake to sell 25 per cent of their stock in Canada and at the end of ten years to sell 49 per cent of their stock. The aspirations of Canadian nationalism would be sufficient reason for Canadians to purchase stock in this company, increase the value and do business with the company. Privately the company indicated that they expected that in five years the value of the company would have increased to a level where they would be able to sell a half interest. They felt they would retain a very favourable business by being a shareholder along with Canadian shareholders. They were willing to bow to Canadian nationalism to that extent in order to have their company develop.

This is not new Mr. Chairman. Many countries are giving consideration to development of their own corporations and industries and have passed laws to make this mandatory. Japan in particular has been very interested in this field. I quote from a Canada-Japan Trade Council newsletter:

Figures compiled by the Organization for Economic Co-operation and Development show the inflow of direct foreign investment for six member states:

Canada	(1962)	$14.5 billion
United States	(1964)	$ 8.4 billion
United Kingdom	(1962)	$ 4.2 billion
France	(1964)	$ 4.0 billion
Germany	(1964)	$ 2.8 billion
Japan	(1965)	$ 0.7 billion

Japan is interested in developing its own industry. Foreign capital can be invested only to a limited degree because they wish to own the businesses within that country. Japan is now doing business in Canada where we do not have such a limitation.

The Union Mutual Life Insurance Company, a very large company in the United States, was organized in 1848 and commenced business in Canada in 1868. They were asked the question, "Why should another new insurance company be chartered?" They replied:

To enable an existing insurance company, domiciled in the United States but doing business in Canada, to cease doing business in Canada; to return to or leave in Canada the servicing of the existing Canadian business of the United States insurer; to cause Canadian insurance business to be done by Canadians.

Servicing does not refer to the basic contractual relationship between an existing policyholder and the existing insurer. This contractual relationship will continue. However, since the U.S. insurer will be withdrawing from solicitation of new business in Canada, and hence would be forced to close its current offices, the answering of questions, payment of claims, changing of beneficiaries, and other services will be rendered by the personnel of the new company, in the offices of the new company. However, in most instances these personnel and offices will have been assumed by the new company from the old. Hence, existing policyholders will suffer no inconvenience and no change in contractual rights. On the other hand, the new company will have an immediate source of personnel, offices and service revenue with which to operate.

• (5:10 p.m.)

I suppose that in the insurance field in the United States Union Mutual is larger than Avco Delta. I believe it does more business in the United States than Avco Delta. It is a large and fairly progressive company. I was interested to learn it is large enough to have offered the American government to operate an American medicare plan covering all the states in the union on a fee for service basis.

If it can make this kind of concession to Canadians, why should the company we are now considering continue to come before us and ask for this type of consideration? The directors of the other company have indicated they were very surprised at the reaction to the agreement to make this kind of concession to Canadians. Although the Senate passed the

bill, it was not passed without considerable debate and questions.

There is a simple proposition here, Mr. Chairman. You and I know that most senators are either directors of insurance companies or of banks or other financial institutions. Therefore it is almost questionable whether or not a senator should have the right to make a decision on these matters because of his involvement. However, it is interesting that all the questions were aimed at the 49 per cent ownership feature. They were not seeking to expand it but to take it out of the bill. In this we saw the fine hand of others in the insurance business who might not desire Canadian ownership of Canadian insurance companies, and hence the effort to delete this provision. But I am pleased to see that the bill as finally recommended by the Senate committee retained the provision for Canadian ownership. I would like the sponsor of the bill now before the house to indicate why he is not proposing an amendment to provide for such ownership.

I hope to have an opportunity of going before the committee that will be discussing Transcoastal because I am curious why they could not provide Canadians with 51 per cent ownership. I was very surprised to learn that the Superintendent of Insurance informed them that if they gave Canadians 51 per cent control of that company then they, with 49 per cent, would be able to vote only 10 per cent of their stock. This seems to be a very odd provision to put into the bill. I hope the hon. member who is sponsoring the bill will consider the question of the percentage of Canadian ownership.

If this company wants to do business in Canada it must be of the opinion that business in Canada is a good thing for it, that London and Midland Insurance Company will be able to do business economically in Canada, that it will be able to operate with some success as a subsidiary operation in Canada. However, the directors of this company must be poorly informed on the wishes and aspirations of the Canadian public if they are not aware of the fact that there are people in Canada who would like to see the opportunity provided for Canadians to buy into financial institutions doing business in Canada.

Union Mutual is not only going to provide an opportunity to Canadians to buy into it but it is going to make it lucrative enough for Canadians to do so. In fact, its directors have made it a condition of their charter that this will be accomplished in ten years or they will give up their right to their charter. They did not oppose penalties being included in the legislation whereby sizeable fines would be imposed upon directors and executive officers of the company if they did not accomplish the stipulated degree of Canadian control within the ten year period.

It is interesting to note that members of the other place did not pursue the matter of penalties. I was also interested to note that the Superintendent of Insurance said that that company had gone far beyond the requirements of the form bill that is provided for insurance companies being chartered in Canada and therefore there was no need to have this type of penalty in the bill. I entirely agree with the Superintendent of Insurance. I am sure that company is honest, I am sure it is straightforward, I am sure it is going to make that attempt, and I am also sure the Canadian public will buy into that company and make it possible for the directors to live up to their obligations to parliament. However, I am not the least bit sure that all other companies that would agree to such a clause would do so and would be so apt to fulfil their duty. Therefore I see no reason why the Standing Committee on Finance, Trade and Economic Affairs should not again put in the penalties for Transcoastal and other companies like it.

The London and Midland bill has been before us for some time. The company does not mind the penalty that is being paid by not having had its name changed to Avco Delta. It would like to be accomplished, but if one reads what Avco owns in other areas one finds there is not much in a name. Avco owns the Moffat Stove Company. They have not changed the name to the Avco Delta Stove Company. It owns a large number of other companies and has not changed their names. If you are interested in credit cards you will probably think of credit card companies. You will probably think of Carte Blanche, not the Avco Delta Corporation. It owns a large number of small loan companies and several life insurance companies. It is doing business with a number of companies in Canada whose names have not been changed, but it is interesting to note that when it went into farm machinery and bought the New Idea Farm Equipment Company it added the name Avco to that company. Among the many companies it owns is London and Midland General Insurance Company.

If the directors of this company want this legislation passed the answer is simple. We

are quite willing to have them come into Canada and do business under their own company name, but they should be willing to make the concession to the Canadian people that they have a right to some control in this company if the market is right. For this reason I urge the sponsor of the bill to consider what has been done with respect to two other major companies in the insurance field in Canada, where clauses providing for Canadian ownership have been inserted in their charters.

• (5:20 p.m.)

The change in name from London and Midland General Insurance Company to Avco Insurance Company or L'Avco, Compagnie d'Assurance Générale might appear to be the crux of the subject, but I believe the change in name is really not the crux of the matter and is not the reason the bill is being opposed. I believe it is being opposed for the simple reason that we agree with many persons who believe one important aspect in respect of insurance companies and financial institutions is that they be Canadian controlled. For this reason we strongly urge the sponsor of the bill to consider this point before the bill comes before parliament again so that speedy action can be taken in respect of having the transfer arranged.

Mr. Harding: Mr. Chairman, I am very disappointed that the sponsor of this bill did not rise to answer some of the questions asked by the previous speaker. When a minister or private member sponsors a bill in this house it seems to me they should be prepared to answer questions directed to them. Again we have an example of a private member of the Liberal party sponsoring a bill in this house. We are rather anxious to know whether it is his personal conviction that insurance companies, which are part of the financial picture of Canada, should come increasingly under the domination of outside interests. I believe the hon. gentleman should make it abundantly clear to hon. members and to the constituents he represents where he stands on the issue of foreign ownership. Is he in favour of handing over the financial institutions of Canada lock, stock and barrel to outside interests or does he intend to stand up in this house and take a firm stand?

Mr. Lind: On a question of privilege, Mr. Chairman, I cannot see how the hon. member's remarks have anything to do with the changing of the name of this company. First of all, it has been a reputable and well thought of insurance company which has offered services to the public across Canada. It is only asking for a change in name. No corporate change is being requested. It is purely a name change. I do not believe there is a desire on the part of this insurance company to be anything but a good corporate citizen and to do business in Canada in the way it has for a long time.

Some hon. Members: Hear, hear.

Mr. Harding: I am delighted to hear the applause from the Liberal benches because it is good to know where they stand on these issues. The previous speaker asked whether the sponsor of this bill, the hon. member for Middlesex, went to the company and asked its officials if they would accept an amendment to this legislation. I should like to know the answer to that question. We have been asking such questions for a period of time.

Mr. Lind: I again rise on a question of privilege, Mr. Chairman. I do not know how it can be amended in any way to make it any simpler. I fail to understand the thinking of the hon. member. I believe he is confusing the issue. I think he is reading something into the bill which is not in it.

Mr. Peters: On a point of order, Mr. Chairman, may I ask whether the sponsor of the bill would agree that Avco Delta Corporation is a United States owned corporation? Would he not also agree that London and Midland is listed in the report of the Superintendent of Insurance as a Canadian company and that this change of name would not only change the name but would change the ownership of this company from a Canadian company? The hon. member for Ottawa Centre shakes his head. I suggest that the evidence provided to the committee of the other place indicates that this company is now totally foreign owned and should no longer be listed as a Canadian company. Is this not correct?

Mr. Lind: That is not correct. This company is not totally foreign owned. As a matter of fact, this company is controlled by Avco Delta Corporation, but there are common shares in the hands of Canadian shareholders.

Mr. Harding: One per cent or less. Now, Mr. Chairman, may I continue. Again I ask the sponsor of the bill where he stands. We have had other private bills in this house in respect of which substantial amendments have been offered which in effect gave

Canadians the right to buy back the shares. I do not know what the members of the Liberal party generally think about the ownership of our financial institutions, but I should like to place on the record a few remarks from a very responsible and reliable source concerning what is happening in respect of the control of the financial institutions of this country. I should like to place this on the record because it is very important. In 1956, 12 years ago, the royal commission on Canada's economic prospects stated in its preliminary report:

> Foreign ownership of the stocks of the Canadian chartered banks and of life insurance companies, which are incorporated under Canadian law, is not particularly large at the present time. It is desirable that Canadian control of these institutions be maintained. The commission suggests, therefore, that appropriate action be taken to prevent any substantial measure of control of the chartered banks and of life insurance companies from coming into possession of non-residents. One way in which this might be accomplished would be to provide by statute that any shares in such institutions which are acquired by non-residents of Canada in the future would be ineligible to vote. This restriction should not be applied to existing non-resident holders of such shares.

I did not make that statement. That comes from a group of Canadian economists. They are warning the people.

Mr. Lind: Yes, but may I ask the hon. member a question?

Mr. Harding: What is happening is—

The Acting Chairman (Mr. Richard): Order, please. The hon. member has the floor.

Mr. Harding: Did the hon. member wish to ask a question? I will gladly give way.

Mr. Lind: Does what the hon. member has just read have any connection with the change of the name of London and Midland General Insurance Company?

• (5:30 p.m.)

Mr. Harding: It certainly does. That was no question, Mr. Chairman.

The Acting Chairman (Mr. Richard): Order. I have been listening to this exchange and it is just a repetition of the same question and the same answer. I think the hon. member should proceed with his speech.

Mr. Harding: Thank you, Mr. Chairman. However, we intend to try and get information from the sponsor of this bill before the debate is concluded. I referred to 1956. I should now like to come to 1959. I shall read what the Superintendent of Insurance at that time, Mr. MacGregor, said in 1959.

> In my reports in recent years I have drawn attention to cases where control of a Canadian life assurance company passed from Canadian interests to interests outside Canada. In the three or four years preceding 1958 there was much activity in the shares of Canadian life assurance companies and control of a number of companies was acquired by external interests through purchase of a majority of shares from Canadian shareholders. This makes—

He is referring to 1959.

> —the sixth life insurance company where control has passed into external hands in recent years.

In 1960 we had another warning from the Superintendent of Insurance, the watchdog of all the insurance agencies in this nation. This is what he told us in 1960:

> The acquisition of control of established Canadian companies by British and foreign insurance companies means a permanent loss in the share of the life insurance business in Canada transacted by Canadian companies under Canadian control. The formation of a new life insurance company is a difficult undertaking and requires the investment of large amounts of money with no expectation of a return on the investment for many years in the future. Such companies are difficult to replace. The chance of repatriation of control is much less than if the shares were in the hands of individuals.

Again we had this warning from the head man in the insurance field. And what do we get in this house? We have private member after private member introducing private bills, some of them to hand over Canadian insurance companies to the very people the former Superintendent of Insurance has been warning us about. No wonder people are becoming apprehensive. During 1961, control of nine Canadian fire and casualty insurance companies passed to British or foreign hands. These transfers are largely responsible for the reduction in the proportion of fire and casualty premiums written in Canada by Canadian-controlled companies, from 26.5 per cent in 1960 to 22.4 per cent in 1961. So, on down the line have we gone until today.

I should now like to refer to the 1967 report, the latest one which I have. All hon. members have received this report of the Superintendent of Insurance. Let us consider the fire and casualty insurance figures for 1967. If people think this is unimportant, all they have to do is consider the portfolios of investment that these companies control in this nation of ours; they will then realize the tremendous power they wield. We should appreciate the necessity of keeping control of such companies within the confines of our own nation. Warnings have come from people

who certainly do not belong to the party which I represent. They must be looked upon as extremely responsible people. They have warned this government, and the elected representatives of the government, to be careful or we will lose economic control of our own nation.

In 1967 the net premiums written amounted to $1,467 million. This is a tremendous sum of money. Canadian companies—we call them Canadian companies—controlled about 43.2 per cent of this business. However, a number of these Canadian companies were controlled by British or foreign companies. I shall not give the percentages because it would take too long to read them, but the bulk of the investment control does not lie with Canadian companies in the fire and casualty insurance field.

These statistics should alarm any thinking Canadian. It is amazing to me that anyone elected in a riding of Canada would come to the House of Commons and try to turn over another little chunk of the Canadian economy to outside interests. We in the New Democratic party, are asking members who sponsor private bills to talk to the companies that come to them. They should tell these companies that they are Canadians, interested in Canada. They should ask the companies to accept amendments to their bills which would mean that Canadians would have an opportunity to buy back over a period of time control of the companies. Such a suggestion was made by the previous speaker.

Two or three companies have already done this because they realized that Canadians from the east to the west in this nation were becoming concerned about the problem. We have asked that these questions be dealt with. The hon. member said he has not approached this company and there is no need to approach it. But he willingly accepted the job of coming to the House of Commons and trying to persuade his colleagues to accept this and other private bills which would allow a sell-out of another chunk of our economy.

Our party is saying it is time we called a halt to this practice and sat down as members of political parties—every one of us is interested in Canada—and arrived at a solution to the problem. If one is interested in Canada, he does not start selling this nation piecemeal, bit by bit. We are asking that the sponsor of the bill seriously consider the matters we have raised. It is not too late to do this, because I doubt whether the bill will pass this evening. I suggest that the hon. member go back to the company and place before it the proposition that other companies have incorporated in their bills. This bill can be amended; it is not too late to do it. There can be included in the bill the very provision for which we are asking, namely, that Canadians be given an opportunity to become part owners in this country and its economy. Such a provision must be written into the bill. We ask that such amendments be made to it. We suggest that the hon. member sponsoring the bill should rise in the house this afternoon and tell us that he will take this proposition back to those who asked him to present the bill to the House of Commons.

• (5:40 p.m.)

Mr. Deachman: Mr. Chairman, we have just been treated to the kind of speech which in the past few years we have heard in this house during private members' hour. We have listened to such speeches as N.D.P. members have fervently argued in order to retard the business and economic progress of Canada. No one can argue this case better than do the hon. members who, throughout their history in the House of Commons, have been confined to the far left hand corner of the house because of the theories which they hold with regard to business and economics in Canada. The case before us this afternoon hinges on the view of hon. gentlemen opposite of what is a Canadian company. A Canadian company might be a company which is wholly owned by Canadians. It might also be a company which is, in part or even to a considerable extent, controlled by people abroad who felt it was worth while to come to a country of business growth and of economic stability such as Canada and to invest money for the progress of their company and to the benefit of the Canadian people. But hon. members opposite, who have held up these bills, have constantly argued that foreign capital militates against the progress of the Canadian economy and industry. We do not believe that on this side of the house.

Mr. Peters: That is not true.

Mr. Deachman: They argue that it is un-Canadian unless a company is Canadian in the terms which they describe, that is to say that it finds the bulk of its capital in this country and that it does not find the bulk of its capital from outside of Canada for any investments which might add to the production and to the benefit of the Canadian economy.

I want to ask: What is a Canadian political party? That would be a good thing to discuss here apropos of what has been said of Canadian companies this afternoon. Is a Canadian party a party which is for the most part supported by U.S. unions, for example, and which in the eyes of virtually all Canadians who have watched them over the years is not much more than a Canadian subsidiary of U.S. unions which dominate Canadian unions?

Mr. Harding: You do not know your history.

Mr. Deachman: We know on this side of the house that the leader of their party, who has gradually beat a retreat across the west, has been finally pushed off the mainland onto an island, but still clutching firmly a piece of Canadian soil. We know he went down to Boston during the last election and there he was promised the support of the United States unions which own the N.D.P. Yet, they come into this house and call themselves a Canadian party.

We do not mind saying they are a Canadian party. We know they are good citizens, misguided though they may be. We know they are misguided in good faith, but we do not deny them the right to call themselves Canadians. There is nothing wrong with that.

All I want to say to these gentlemen is—

An hon. Member: We are better Canadians than you are.

Mr. Deachman: —that there are different ideas with regard to what constitutes a Canadian entity or organization than the example one sees when examining that very party.

So, I wonder whether or not we could look at this bill which is before the house in a more practical light, in the light of how we have developed this country by bringing people here from abroad, some of whom have become members of that party. Do we say they are not fit to be Canadians? No, sir. It is a privilege to come from abroad and to become Canadian. It is a privilege to come here with one's capital, to make it grow and to assist in the development of Canada. But hon. members opposite find something wrong with it. Let me say that we do not. I ask them this afternoon to reflect on what constitutes Canadians. They are people with faith in their country, sufficient faith to come here and settle, to take part in its political life and its development. They are people with enough faith to bring their capital here from abroad, to invest in the country and assist in making it grow. That is what has helped to make Canada great.

I want to say that certainly we must struggle to retain our own political freedom in this country and to maintain a growing investment in our own equity. This is part of being good Canadians economically, to take part in the economic development of the country and to invest our dollars in it. But we would be going against the history of the economic development of Canada if we were to follow the kind of theories which have been put forward by hon. gentlemen opposite as they defeated these bills one after the other, year after year, during the period in which I have been in the House of Commons. It is hokum of the highest kind and will continue to be hokum as long as they preach it.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am happy to have the opportunity to participate in this debate on Bill C-101. I understand that this insurance company wants to change its name, and take an English name and a French-Canadian name. So this insurance company will have two names.

Generally speaking, we have nothing against insurance companies. We believe that there are too many of them in this country. I think that their premiums are too high for the services they provide. On every street corner there are insurance salesmen trying to squeeze money out of Canadian taxpayers, on the pretence that their companies know where to invest, and that they can better manage that money than the individual.

Earlier, I heard the sponsor of this bill say that these companies come here to invest capital. I want him to know that they come here to seek Canadian funds to invest later on. Insurance companies have no need to invest capital, as they gather funds as soon as they start to operate. So, they raise funds to form the company and as soon as this is done, they do not need this capital any longer. It is put in a reserve. In the past many insurance companies were raising capital in Canada to invest abroad. Isn't that a shame, Mr. Chairman? There lies the evil. A company should be exclusively Canadian, and all the capital it extracts from the Canadian nation should be reinvested exclusively in Canada. Parliament should act to make compulsory for all insurance companies and all other companies that draw off Canadian capital in order to reinvest it elsewhere, to invest in Canada. In fact, we

need capital, and above all foreign capital, because we do not have enough. If our capital is sent abroad, the situation will be even worse.

Mr. Chairman, several insurance companies claim to be exclusively Canadian, yet they are not at all. They come to seek Canadian capital and are contributing to the development of other countries. Then is the time to act. Those insurance companies should be exclusively Canadian, not only in name but also with regard to their operations.

It is asked to replace the present name for a Canadian name. That will only be a Canadian name and not Canadian capitals. The steps which will be taken by those companies should benefit Canadian citizens. Investments and all the money collected, all the profits of those companies, should be reinvested in Canada.

So far, few insurance companies have come to make investments in Canada, after earning money abroad. Almost all foreign companies transacting business in Canada have come here to extract Canadian capital and invest it where they pleased.

• (5:50 p.m.)

The investments of some of those companies are ill-distributed. As far as I am concerned, I live in a remote area of the Eastern Townships. Some insurance companies come and squeeze money out of the inhabitants of that area, but they never reinvest anything there. They do not reinvest to develop our area, under the pretence that it is not profitable. How do you explain that they come and take our money, but do not reinvest? Insurance companies are not working in the interest of society. They are not logical. They come and squeeze considerable amounts of money out of some areas of the country, but those very areas do not derive any benefit from this. In my area, it would seem that people are only good enough to pay insurance premiums since they do not receive in exchange anything which would promote development of the area. If we do not get anything, in my area it is because, it would not be profitable to invest, so they say. It is not profitable to reinvest but it is profitable to come and pocket thousands of dollars at one time from us.

We should put our foot down and ask again to insurance companies to reconsider what they are doing. If they are allowed to come and take Canadian funds they should be able to distribute their investments. Unfortunately, they are allowed to reinvest according to their own will and where they see fit. When it comes to increasing interest rates however, they make no bones about it. Mortgages are allowed in several areas of Canada, at a certain interest rate but a few years later, they can be increased. Thus those who have borrowed from those insurance companies instead of from other companies have to pay a higher cost, because there is some difference between interest rates.

Mr. Chairman, all kinds of things are going on in insurance companies. We should establish an agency whose task would be to see that these companies are consistent with themselves, in the best interests of the Canadian economy.

Canadian Parliament should be kept informed of those companies' activities. I cannot blame too much the members of the New Democratic Party who want to know what those insurance companies do with the capital that they squeeze out of Canadians. And we lead people to believe that insurance is a beautiful thing. It is always good after one's death, but there are a great many other means for Canadians to make more profitable investments than in insurance companies.

Mr. Chairman, there are certain things that should be cleared up and reformed in our insurance companies. I mention that particular one, but I might lump all the existing Canadian insurance companies together in that respect, for they do not appear to provide the benefits they should, if one takes into account the amount of money they get out of the public.

Moreover, there are insurance agents—I do not hold it against them, though—who earn more than manufacturing concerns having 75 or 80 employees. Is there not something surprising in the fact that one man, by himself, with his small brief-case, can earn as much? Something is going wrong inside the insurance companies, Mr. Chairman. I spoke about the small agents at the bottom of the scale, but what about all those who earn $50,000, $75,000, $100,000 or $125,000 a year, all that at the people's expense. Buying insurance policies is not always a wise investment, as we can see. They begin by paying themselves huge salaries and this explains why many insurance agents do not want to become members of parliament since they earn four times as much selling insurance in their region.

The insurance companies are exaggerating and there is extravagance somewhere. If we

want a just society and a sound economy we must at all costs inquire into the insurance business as well as into many others. There is no need to kneel to the insurance companies and trusts which generally take advantage of the people, without saying a word. Nothing is said because many members of parliament are associated with them. Many are drawing large dividends from insurance companies which up to now have always succeeded in protecting themselves and have always found a way to outwit the Treasury. Yet, they should not be better treated than others; on the contrary, they should be dealt with in the same way as all other enterprises in the country.

Mr. Chairman, once again, I ask parliament to appoint a committee to enquire into all aspects of our insurance companies, so as to be in a position to intervene should there be anything there that is not according to Hoyle. It is now six o'clock, Mr. Chairman.

[*English*]

Progress reported.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the Government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the chair.

The Chairman: It being six o'clock, I do now leave the chair.

At 6 p.m. the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Skoberg: Mr. Chairman, I had taken some time prior to five o'clock in an attempt to bring to the attention of the congenial minister the concern I have over the method of allocating service and purchase contracts. I understand that tenders do not have to be called for construction contracts if an emergency exists and the cost is less than $15,000. If I am incorrect about that, I am sure the minister will correct me. Although I agree emergencies may arise in certain circumstances, I believe that all too often, as is apparent from previous cases we have witnessed throughout the country, they are a figment of the imagination. Departments decide that an emergency does exist and they allocate a contract without public tendering.

I should like to impress upon the minister the importance of doing away with preferred or representative lists and using instead the widely accepted procedure of tendering by public advertisement. In this way the new Department of Supply and Services, the other departments of the government as well as the elected representatives will not be subjected to the type of criticism we hear so often today, namely, patronage. I would expect the minister to make sure that the regulations are clearly defined so there will be no likelihood that the type of "pork barrel" situations that have arisen in the past will become commonplace.

One matter that does bother me considerably with regard to these preferred lists is how the persons or firms who are on these lists qualify. Perhaps the minister would clarify this at the end of the debate. Surely, qualification should not depend on the particular government that is in power at the time. I am sure that the group to be established to review the situation continually will take this question into consideration.

As I mentioned before five o'clock, the proposal to establish a group to review the approach taken by the various departments to obtain information, with a view to improving the quality of such information, is a step in the right direction and one that we can support. However, I think the minister must set guidelines which really mean something; and if he is able to do that he ought to be commended. On the other hand, if this is another government department only, and if it cannot bring about closer liaison between other departments of government, there is no purpose in establishing it.

• (8:10 p.m.)

There is no sense in having a freeze in public service hirings if the government, as seems evident from increased allocations in this year's budget, is to seek the services of outside consulting firms. I believe that under this minister we ought to develop expertise within the department and make possible the provision of specialized services for every department of government, thus, bringing

about closer relationships between government departments than has been experienced in the past.

I hope the minister's philosophy in this new department will be not only business oriented, and I use that term loosely knowing that hon. members will know what I mean, but oriented to the needs of every part of our nation. Without this type of expertise in all social sciences this country and this new department will be the losers. I say to the minister that the clients he has to please are every man, woman and child of this country, and especially those of low or fixed income who are unable to fend for themselves in this highly technical world.

Naturally, officials of the various departments, as well as employees of departments, would like to set their own guidelines. If the minister is sincere in establishing guidelines for the new department that will really do the job we think ought to be done, we will support him, as will all those in this country who benefit.

Mr. Jamieson: Mr. Chairman, I think we have had a most interesting and valuable discussion on this very important bill and I think that it reflects, by and large, agreement with the proposals on which this bill is based. I do not know how hon. members would like me to deal with the various matters which have been raised. As I understood the discussion, a thread seemed to run through the minds of hon. members, and perhaps I could deal with specific topics that have been raised. The two matters which seem to have been raised most often by hon. members were the fact that in the new department there would be two deputy ministers and that the functions of the Receiver General were to be transferred to this department. Hon. members wanted to know the rationale behind that. I would like to deal with these two matters first, before touching on other specific matters raised by individual hon. members.

In so far as the two deputy ministers are concerned, Mr. Chairman, this does not mean an increase in the actual personnel of the department. It is simply a redesignation, if I can call it that, of the former Comptroller of the Treasury. Hon. members will note from early clauses of the bill dealing with this department that one of the responsibilities I have from the outset is to designate clearly and unmistakably what the duties of the two deputy ministers will be. This I intend to do. It is clearly evident, I think, that there will not be what may be described as a crossover of responsibilities. The Deputy Minister of Supply will be the gentleman who already has that post and performed his duties admirably for many years. The Deputy Minister of Services will be the former Comptroller of the Treasury. So, there will not be the confusion that some hon. members understandably might anticipate, and I apologize for not making that clear in my opening statement. I am satisfied that this is the appropriate arrangement. It is not, of course, unique in the public service of this government or of many other governments. At the federal level there are quite a few departments with two deputy ministers.

On the question of the function of the Receiver General and the appropriateness of having this function as part of the responsibilities of the Minister of Supply and Services, I think there are real advantages to be gained in identifying with a single minister the closely related functions of the receipt, custody, disbursement and accounting of public funds. I want to emphasize that this is essentially the Receiver General's function, which is essentially a service function. There is no suggestion in the bill, nor is there any intention in the over-all plan, that the Receiver General shall have any responsibility in terms of what I might describe as policy decisions with regard to financial matters. His is the purely technical function of the retention or control, in custodial terms, of public funds. On the other side, there is the disbursement of all public funds. We are satisfied with this; a great deal of thought and work went into this matter, and we think that the present relationship in this field is an appropriate one.

There is a straight line through, as I said before, connecting the receipt of moneys, the custody of those moneys, the ultimate paying out of those moneys and the preparation of accounts relating to those public funds. I would be pleased to go on at greater length on this matter but it is not necessary. I will only say that identifying all the functions I have mentioned, which are closely related, with a single minister, responsibility and accountability are properly identified. The function can be most efficiently and economically handled on an integrated basis and there will be considerable convenience to departments, agencies of government, contractors and suppliers, as well as members of the general public, if a single office is identified as the control point for receipts, payments and inquiries related to either. As I

said a moment ago, this is the rationale behind our thinking and I am satisfied that this will work satisfactorily.

In any event, may I also point out to hon. members that the Office of the Comptroller of the Treasury ceases to exist under this new arrangement and this is the mechanism we have devised which we think will take its place most effectively.

The hon. member for Wellington asked a number of questions, and I shall deal with those in a moment. Also, there was a reference by an hon. member opposite to the length of time since the Glassco report was brought down for some of its recommendations to be implemented, as they are now being. This is not strictly correct. Since 1964, a number of Glassco Commission recommendations have been implemented on a progressive basis and this is merely the logical conclusion of something which has been under way for a considerable time.

With regard to the dangers of overstocking and the surplus problem in warehouses under the present arrangement, I suggest that the effect of what we are doing will be the exact opposite. By consolidating all government supplies in six very large warehouses across the country, we shall no longer have to deal with 600 centres in which supplies for government departments are stored. Also, I should say we have developed a quite sophisticated and efficient method of data processing which will enable us, when the full scheme is in effect, to determine through a set of coded numbers and the like if goods or supplies needed in Victoria or Ottawa are in Halifax or somewhere else. I do not think it is necessary to be concerned about this so called excess or surplus to which the hon. member for Wellington referred.

On the question of the Queen's Printer, I wish to make it perfectly clear in this house, and I make this a commitment at this time, that it is our intention to appoint a Queen's Printer. While the wording of the act says "may" rather than "shall"—this is a semantic rather than legal argument—I assure the house that a Queen's Printer will be appointed when the necessary authority is granted to us under this legislation.

As for moving the Mint and why that should appropriately come under the over-all framework of the Department of Supply and Service, here again the rationale behind the move is that the Mint performs essentially a service function. We have within the department perhaps more experience than other departments in terms of running small and large plants. For example, there is Canadian Arsenals. The responsibility of the Department of Supply and Service for this organization has built up among its officials great expertise. Our officials have great knowledge of all these matters. I think that, as with the Receiver General of Canada, this move is in line with recommendations of the Glassco Commission which suggested that common services could better be provided by a single agency. In this way the officials of specific departments and, indeed, ministers of specific departments will be relieved of the so called bookkeeping and housekeeping chores which can best be carried out under the new arrangement we are now proposing.

• (8:20 p.m.)

Some question was raised as to the future scope of the former comptroller of the treasury. I want to emphasize that while there is a pronounced change in some of the responsibility which this office will assume under its new title of the services section of the department, there will not be an immediate or overnight transition.

The Glassco commission recommended, and it is our judgment they were correct in so recommending, that the pre-audit function ought to be the responsibility of individual departments rather than the comptroller of the treasury, as at present. Hon. members will recognize this is not something which can be done equally in all departments. We anticipate it will be some time before all departments are able to carry out this work on their own. There will not be a major and immediate disruption with regard to the staff of the comptroller of the treasury because of this transfer of duties. It will be gradual.

As has happened steadily throughout the public service, there will be a certain amount of attrition. A task force has been set up to look at the whole question of a new approach to coping with the possibility of employees being displaced under the new arrangement. We are reasonably satisfied there will not be a major disruption. I can assure hon. members we are taking this into account in the phasing in plan. As the hon. member for Burnaby Seymour asked this afternoon—

Mr. Knowles (Winnipeg North Centre): Nanaimo-Cowichan-The Islands.

Mr. Jamieson: He keeps moving his riding. In any event, it is going to be a phasing in and we are satisfied, with the task force

being set up, we will be able to deal with this problem. It is our intention and objective to do the work with less people. This is one of the savings we have in mind. I repeat this will not be done overnight. I am sure it will work out satisfactorily for all concerned.

I agree with the hon. member for Wellington with regard to charges for our services. It is the intention of the department, when providing services for a client department, to make a reasonable charge. It is a matter of time to determine the proper rate of charge. Hon. members will agree if it is going to cost more to charge and assign a particular department, it will not make sense to impose a charge. The department is working out a system to determine the actual cost for services to be provided. The hon. member for Regina-Lake Centre asked why we were so long—

Mr. Knowles (Winnipeg North Centre): Regina East.

Mr. Jamieson: I am not doing too well on constituency titles. The hon. member for Regina East made a comment with regard to time. I believe I answered that by saying we have been implementing portions of this since 1964. I agree this should be done quickly. I also answered the question he raised with regard to the two deputy ministers. Let me re-emphasize it is not additional persons, but merely a re-designation of the former comptroller of the treasury.

One of the main reasons the department has been established is to bring about co-ordination which will eliminate one department having a surplus of materials while another department is purchasing the same because of a lack of rapport between them. The new data processing methods will be very beneficial. May I say to interested hon. members that we would be happy to arrange a tour of the pilot project in Ottawa. The hon. member and I are in complete agreement, Mr. Chairman, that the real test will be the effectiveness of the system. I am sure this will be successful. There is no point building a better mousetrap unless it works.

We must continue to assess our methods and carry out consistent checks. I personally feel very strongly that we need an advisory committee so that other departments can inform us how well we are serving them.

With regard to the matter of delays, I refer to my opening statement that we are a business oriented department and we must ensure that our client departments are given good service. On this pilot project delivery times are less than normal for commercial enterprise. If there was time this evening, I would give details of the bureau of standards. It has been proven that we can standardize and we are attempting to ensure there is uniformity throughout the supply sector. An item of general use can be supplied to all departments. We have not found many variables in terms of one department requiring a particular item and another department requiring the same item with a different colour. It is a very complex subject and problem, but progress is being made toward resolving this problem.

It would not be appropriate for me to comment this evening on matters now before the public accounts committee, such as the *Bonaventure* and hydrofoil. It is my information several meetings are planned and a number of witnesses will be called. The appropriate position would be to wait until the report is received from the committee. On the matters raised by the hon. member for Regina East and the hon. member for South Shore, it would be better to wait until the report is received. However, I would say in a general way we are looking forward to this report and recommendations of the committee. Although improvements can be made, I do not accept the general criticisms which have been levelled. There are answers and these may be in the committee report.

The hon. member for Regina East commented on moving and storage. This is a very sizeable activity of this department and the government generally. As hon. members know, there is a good deal of mobility in the public service and the armed services in particular. The situation is not as my hon. friend describes it. I was a little surprised that representatives of my friend's party went to bat for the moving business because, as hon. members are aware, there have been suggestions that an investigation should be conducted into this industry with regard to combines practices. However, I will not go into that. Until recently the position has been that companies charge the same rates.

• (8:30 p.m.)

Therefore under that arrangement it was a matter of allowing a certain amount of leeway and choice to the persons or group being moved to decide amongst themselves. But the fact of the matter is that there is another company and this company has in fact met our requirements and standards and has given a rate which is considerably lower. I

wish to emphasize that this is an all year round rate, and it is a national rate. In other words, it applies all across the country and it applies 12 months of the year.

The hon. member is probably right when he says that in the face of this new competition some of the other lines have agreed to come down and meet the rate now being offered by this national company to which I have referred, but they have not agreed to do it either on a year round or on a national basis. So, therefore, I am satisfied—and I may say I have gone into this very thoroughly since the hon. member and others brought it to my attention—that in the long run we are getting a substantial savings to the public treasury by operating under the scheme which we have at the moment.

I may say too that this company is not capable of doing anything like all the work that is necessary, and that other companies get a substantial volume of the work, perhaps as much as 70 per cent or 80 per cent. But I am not happy with that situation and it is my objective as well as that of my officials to get competitive tendering all the way through. If these companies are anxious to get into the business let us have a thorough airing of it, and let us have real competition throughout rather than have the single rate policy with which we were faced all along until this new development came about. This is essentially the background of the story, and if necessary I shall be glad to fill in any of the details.

I believe I have touched on most of the matters raised by the hon. member for South Shore, Mr. Chairman, but unfortunately he was not in the chamber at the time. I hope he will not ask me to repeat all of them. On the question of the auditing services, I believe that perhaps there may be some misunderstanding between the hon. member and me on what is meant.

The pre-auditing function is being assigned to the individual departments in line with the Glassco Commission recommendations, and whether or not the Auditor General will need additional staff to deal with the new arrangement is something I am not capable of judging at the present time, but it is not an issue related to this particular bill. In other words, all we are doing is moving the pre-auditing function back into the hands of the individual departments as recommended, so that the responsibility is centred in the departments and they have to take the full responsibility for what they are doing. It may very well be that the Auditor General will require additional people because he himself may now have to do some of the things that were done previously by the Comptroller of the Treasury, but the two are separate questions. I am sure an appropriate occasion will arise when we can deal with the matter of whether or not the Auditor General needs additional personnel.

The hon. member for Moose Jaw—I think I have got a second one right, I am really batting close to 1,000 tonight—raised another matter and I am not at all sure I understand fully which corporation he is speaking of when he talks about consultant services. If he is talking about Management Consultant Services, we have had conversations with this group—

The Deputy Chairman: Order, please. I regret to interrupt the minister but his time has expired, unless he has unanimous consent of the committee to continue.

Mr. Jamieson: It will only take me a moment to wind up.

The Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

Mr. Jamieson: I was about to explain to the hon. member for Moose Jaw that we have had discussions with the representative association of management consultants and it is not an easy matter to resolve.

On the one hand, I believe it is important that we have a strong management consultant capacity in this country. It is not our intention to undercut them, or to assure that all the business goes in any one direction, or anything of this nature. The difficulty with open tendering is that the association itself is not sure whether this is the appropriate way of going at it.

If we use open tender for all business, the argument is that if all of these people are preparing a tender they will spend a very sizeable amount of money on the preparation of their tenders, and the total spent by all of them in this way may exceed the value of the job itself. So, we have been holding discussions with them in the hope of finding another and more appropriate way in which to do this, but I can assure the hon. member that we are aware of the situation.

In this connection, so far as I am aware our department does not have a preferred list. There is nothing of that nature within the department. Any company that wishes to be listed as interested in any form of business—and this I will relate as well to the hon.

member's later reference to the business of what I believe he called invitational tendering—can be listed and will be advised when there is business available or when there is a tender to be called.

The difficulty with advertising, that is in the normal sense of making it known through public advertisement, is that there are literally tens of thousands of different items which we are asking for at one point or another, and the ability to advertise these nationally on a continuing basis would be an extremely expensive one and not very practical.

I believe that if the hon. member checks with most companies that do business with the Government of Canada he will find that there is quite general agreement that the present policy and the present system are the most appropriate. If he has specific evidence to the contrary, or knows of some company that does not feel this arrangement is appropriate, I will be delighted to look into the matter for him; but to try to advertise all the needs, all the things needed all across the country would be an impossible task.

I believe I have covered all of the points, Mr. Chairman, and I can only say in closing that I have as great hopes for the department as hon. members seem to have. I think we can do an effective job. I am sure, too, that the savings will be evident in the first report of the department a year from now after it is established.

I do not want to take my seat without talking about the matter raised by the hon. member for Lotbiniere. I am very conscious of the matter that the hon. gentleman raised. I can assure him in the first instance that the Comptroller of the Treasury portion, which will now become the services side of this department, has a very large bilingual capacity. A great many of the employees of that department are bilingual, though not as many perhaps as we would like. Certainly, on the supply side, we are doing precisely what the hon. member has suggested, and that is that we have now in the department, and will have in the new department a language or bilingual adviser. We are working towards the objectives he has outlined.

Of course the Queen's Printer, the Printing Bureau, has a very large percentage of its work force which is bilingual. So, as with all government departments, it is my intention to advance with all reasonable haste the objectives which the hon. member outlined and which I share fully. I believe I have covered all the points, Mr. Chairman, and I am very grateful to hon. members for the kind words they spoke during the discussion today.

Mr. Burton: Before he resumes his seat, would the minister permit a question?

Mr. Jamieson: Yes.

Mr. Burton: Would the minister care to indicate if the government is studying or has any intention of using the Canadian Commercial Corporation, or some other means or mechanism, to fulfil the functions suggested in the Watkins report with respect to a state trading agency?

Mr. Jamieson: I can only say in answer to the hon. member that we are studying this. It is part of the examination of the whole pattern. Whether the Canadian Commercial Corporation is the proper or appropriate instrument I could not say in any dogmatic way at the moment, but it has possibilities and we are looking into it.

Clause agreed to.

Clauses 42 to 45 inclusive, agreed to.

On clause 46—*Other duties.*

Mr. Knowles (Winnipeg North Centre): I have just one little question for the minister on this clause. I notice that under this clause the Department of Supply and Services is to provide certain services which I now gather are being provided by the Central Pay Office and also certain services in relation to employees' benefit plans and superannuation or pension plans. I should like to know whether this means that the Superannuation Branch will be transferred to the minister. You know, he seems so humane I hope it is true.

• (8:40 p.m.)

Mr. Jamieson: Mr. Chairman, I regret to advise the hon. member that unfortunately, the great generous person that I am, I am not going to have the opportunity to do what he suggests. This department will perform certain administrative duties in respect of keeping accounts with regard to superannuation, pay and the like, such as issuing cheques which may not be as big cheques as my hon. friend would like. However, he will have to argue with somebody else about how big they should be.

Mr. Knowles (Winnipeg North Centre): Perhaps the minister would exercise his humanity in the cabinet on this issue.

Clause agreed to.

Government Organization

On clause 47—*Other services*

Mr. Crouse: In respect of clause 47, I wonder whether the minister could give us a little better explanation of what this clause means. It states that nothing in this part precludes the minister from providing, with the prior approval of the Governor in Council, any services that are within the ambit of the duties, powers and functions of the minister under this part. Could the minister amplify the responsibility this clause defines?

Mr. Jamieson: Mr. Chairman, this clause enables the minister, subject to a request from a customer department or agency and approval of the Governor in Council, to provide any services dealt with in the act on behalf of Crown corporations and other government organizations. The services in respect of purchasing and supply at the federal level can be further increased, if these services are requested, to provincial or municipal governments in Canada so long as the cost would be recoverable from the agency concerned. If it should become evident that in respect of some bulk purchase we could be of assistance to a provincial government or some other agency we are not prohibited from doing that, provided the cost is recovered.

In so far as Crown corporations are concerned, the act stipulates that there are certain classes of Crown corporations which are automatically included in the procurement responsibilities of the department. Some are outside such as, for example, the C.N.R. and the C.B.C. This, however, is an enabling clause in the sense that if these agencies wish to take advantage of our purchasing capability they have the ability to do so and we have the ability to respond.

[*Translation*]

The Deputy Chairman: Shall clause 47 carry?

Mr. Fortin: I would like to ask a very short question, Mr. Chairman.

Could the Minister of Supply and Services tell us if the appointment of auditors for the various Crown corporations will come under his jurisdiction now that his department and the office of the Treasury Board have merged?

[*English*]

Mr. Jamieson: Mr. Chairman, I would have to take this question as notice. In terms of all the departments, my inclination would be, I would think, that in some instances the answer may be yes and in others no. I am not sure about the uniform nature of this, and whether we do it for every one. I would suspect with regard to certain Crown corporations, such as Canadian Arsenals, that the auditing would be done by government auditors. It may be also that the Polymer Corporation might have its own auditors as well as the government audit. I shall be glad to look into the matter and give my hon. friend a detailed reply.

Clause agreed to.

On clause 48—*Queen's Printer*

[*Translation*]

The Deputy Chairman: Shall clause 48 carry?

Mr. Fortin: Mr. Chairman, a moment ago, in the course of my remarks, I asked the minister what had happened in respect of the Queen's Printer.

According to some statements made by the Prime Minister, the Queen's Printer was transferred or dismissed sometime in December. Could the minister tell us to which department the Queen's Printer was transferred and whether this was done against his will or not so that we may send him a letter to congratulate him.

[*English*]

Mr. Jamieson: Mr. Chairman, there has been no change in the status of the Queen's Printer. Until such time as this bill is enacted, the Queen's Printer and the gentleman who holds that title are as they have always been. As for the future of the gentleman in question, once the bill is enacted I undoubtedly will be holding discussions with him. I think my friend can be reasonably sure we will reach an amicable decision as to his future.

[*Translation*]

Mr. Fortin: Does the minister mean that Mr. Duhamel is still employed by the federal government as the Queen's Printer?

[*English*]

Mr. Jamieson: Mr. Duhamel is still in the government service and still the Queen's Printer. He is official Queen's Printer until such time as this act goes through. At that time an official of the department will be designated as Queen's Printer but Mr. Duhamel, as of now, is the Queen's Printer.

[*Translation*]

Mr. Fortin: I have a last question, Mr. Speaker. Would not the minister think it advisable to replace the designation Queen's Printer, by a more Canadian one, one that is less archaic and that smacks less of colonialism?

[*English*]

Mr. Jamieson: No, Mr. Chairman; I do not feel that way. As you well know, sir, there are many members in this house who do not share the views of my friend. The fact of the matter is that in many other Commonwealth countries the expression "Queen's Printer" is used. It is used I believe by all the provinces of Canada. There is a separate act at the moment which designates and establishes the office of the Queen's Printer and it is not our intention to change that.

Clause agreed to.

Clauses 49, 50 and 51 agreed to.

Mr. Jamieson: Mr. Chairman, I believe this afternoon there was agreement that we might proceed at this time to section 71 in respect of the Royal Canadian Mint because of the combined nature of the responsibility.

The Deputy Chairman: Is it agreed?

Mrs. MacInnis: Mr. Chairman, there was no understanding on our part.

[*Translation*]

Mr. Fortin: As for us, Mr. Chairman, we do not object at this time to proceeding with clause 71 dealing with the Mint.

[*English*]

Mr. Macdonald (Rosedale): As a courtesy to the minister and in view of the fact that the Mint is also within his responsibility and since I do not believe there would be very much contention about the provision with regard to the Mint, might we call these particular clauses now? I certainly discussed this with the hon. member for Winnipeg North Centre and I understood him to be agreeable to the proposal.

The Deputy Chairman: Is this agreed?

Mrs. MacInnis: I am sorry, Mr. Chairman, I misunderstood.

Some hon. Members: Agreed.

The Deputy Chairman: Part X, Royal Canadian Mint.

On clause 71—*Definitions*

The Deputy Chairman: Shall clause 71 carry?

Mr. Peters: Mr. Chairman, does the minister intend to indicate the reason for this change in respect of the Mint?

Mr. Jamieson: Mr. Chairman, I did this afternoon in my opening statement. Briefly, however, I might say that the main reasons are the greater flexibility it provides for the Mint, the ability to move quickly to meet situations respecting shortage of coins, and that kind of thing, as well as the ability to move in fact in respect of international sales of coins and various things of that nature. We think it is a more reasonable and rational way of approaching this matter. It appears at least to have had the general support of anyone to whom it has been mooted or proposed.

• (8:50 p.m.)

Mr. Peters: Mr. Chairman, I am not directly interested in the Mint except in so far as what has happened in the past, and that is probably a poor way of looking at it. We have been concerned with the fact that the Canadian Mint has not developed to the extent of being able to meet current needs. We are buying coinage at the present time from the United States; they are minting our coins. We have also had considerable difficulty meeting requirements in the past. Now the—

Mr. Jamieson: Don't try to pronounce it. I can't either.

Mr. Peters: At any rate, I refer to the coin collectors, the numismatic people. As I have always told the minister of finance, this is a great business. You sell $1.91 worth of coins for $4, which seems to me the kind of business in which the government should be engaged. Yet we have failed on many occasions to meet the needs of this kind of export. The Mint itself has been a reasonable operation, it has been a satisfactory operation. It is surprising that when students from my area come to Ottawa, this is one of the few things they want to see, that is, how we make our money. The Mint has been a rather cluttered operation. Its machine shop could stand a great deal of improvement; the equipment is out of date and the quarters are insufficient for the operation. I think this is one field in which members of parliament would agree there should be some expansion. The expansion would probably pay off and would be

self-liquidating, because of the interest in this field.

Mr. Jamieson: Mr. Chairman, I thank my hon. friend for making the introductory statement for me, because it is precisely for these reasons that we are moving in this direction, including plans for the building of a new Mint which will give us a greater capacity. Then, instead of having to buy from the United States I hope we will be able to sell, if not to the United States, to other foreign countries.

Mr. McIntosh: Mr. Chairman, does the minister believe that the new Mint will keep up with government expenditures?

Some hon. Members: Oh, oh.

Mr. Jamieson: I am sorry, Mr. Chairman, I cannot answer that question.

The Deputy Chairman (Mr. Béchard): Shall clause 71 carry?

Mr. Peters: I have another question on this clause, Mr. Chairman. How far have we progressed, in the commercial sense, in the adaptability of the new coinage? I understand that some companies are still importing from the United States silver coinage because of the inability of their equipment to handle the new coins. Can the minister give us a report as to how close we are to meeting the change to nickel coinage from silver coinage, and how this has affected the various commercial operations dependent upon the use of these coins?

Mr. Jamieson: Mr. Chairman, I cannot give my hon. friend an immediate answer off-the-cuff. I understand, however, that we are closing the gap in terms of our purchases from outside. I am told that the demands are being met except for some 25-cent pieces. We are still importing some of these. Our aim, of course, as I said earlier, is to reach the point where we can not only cope with our own needs but have a surplus of coins which we can sell elsewhere. That is perhaps the only surplus we will get out of the Mint. However, I will be glad to obtain a full report for my hon. friend and pass it along to him.

Mr. Peters: I thank the minister for this information, Mr. Chairman, and would like to make a suggestion that I hope he will consider. I suggest that the operation of the Mint, in co-operation with the Minister of Finance of the day, should further develop coinage. I am very appreciative of the fact that the former minister of finance allowed for centennial year the printing of a commemorative gold coin. I know that a number of provinces are now approaching the Mint with plans for coins for centennials and other types of celebrations. It seems to me this is a field in which we can make considerable money on our coinage. We should not be too reluctant, therefore, to make the necessary arrangements that will allow commemorative coins, even of gold, to be minted .

Coming from a gold-mining area, I am personally very pleased that the gold coin was a success. The knowledge I have and the information I have received, at least from my bank, leads me to believe that none of this product is used as coinage and it is not likely, because of the coin dealers' price, that any of it will be. Therefore, it has become truly a commemorative coin and not a matter of currency. I think the experience we gained should be repeated, because the government obtained a great deal more than the $35 an ounce for the gold which it put into this project.

Mr. Jamieson: Mr. Chairman, I have just one other piece of information to give hon. members. We are not now buying coinage from outside the country. The contract for the $85 million worth, I believe it was, of 10-cent pieces is now finished and the only contract outstanding is with respect to a comparatively small number of 25-cent pieces.

Mr. Skoberg: Mr. Chairman, I wonder whether the minister could tell us if there is any indication that we are going to get rid of this cotton-picking quarter. Its size is unrealistic. We should have a quarter the size of which is more realistic and which does not look like a nickel.

Mr. Jamieson: I have received many representations in this regard, Mr. Chairman, and am inclined to agree with them. We will take a look at it. It is easy enough to get rid of them, incidentally.

Clause 71 agreed to.

Clauses 72 to 94 inclusive agreed to.

Mr. Jamieson: Mr. Chairman, I wonder whether I might have just a moment to thank hon. members for their courtesy and consideration. I am very appreciative of the manner in which they have assisted me in passing these clauses. I thank them very much.

Mr. Knowles (Winnipeg North Centre): You might have passed around a few samples.

Mr. Jamieson: We will strike some more.

The Deputy Chairman: We will now proceed to part VI, which is to be found on page 19 of the bill. This part relates to consumer and corporate affairs.

On Clause 52—

Mr. McGrath: Mr. Chairman, I hope the minister would be prepared to make a brief statement. Certainly, it is our hope to pass this section very expeditiously because we studied this matter in the health committee when it was dealing with the estimates. A number of matters affecting the department have been referred to the committee, but I think there are also a number of matters on which the minister should comment. Perhaps he will take this opportunity to make a brief statement to the committee.

Mr. Basford: Mr. Chairman, because the reorganization of my department was discussed in the Health and Welfare Committee when my estimates were before it, I did not feel it necessary to make a statement. But I would be happy to say a few words off the cuff on the reorganization. As hon. members know, when the announcement of government reorganization was made last July, it was stated that the whole of the standards branch of the Department of Trade and Commerce would be transferred to my department. It was announced that certain functions under the Food and Drug Act under the Department of National Health and Welfare relating to fraud and the economic aspects of the sale of food would be transferred and that the retail inspection function of the Department of Agriculture and the Department of Fisheries would be transferred to the Department of Consumer and Corporate Affairs. Previous to this reorganization, the department had been doing research in matters of consumer interest, playing a representation role within the government on behalf of consumers, and co-ordinating existing or planned consumer programs within the government, as well as running a consumer complaint and information service. With the reorganization that this bill will bring about, the department can establish a field staff by reason of transfers from other departments and give it an enforcement function.

• (9:00 p.m.)

Clause 52 (1) makes amendments necessary to transfer to the department the functions previously performed by the standards branch of the Department of Trade and Commerce, and amendments necessary to transfer to my department the Weights and Measures Act, the Precious Metals Marking Act, and the National Trade Mark and True Labelling Act. Subclause (2) of clause 52 allows us to establish an inspection service within the department from transfers of people from the Food and Drug Directorate, from the Department of Agricultre and from the Department of Industry, Trade and Commerce and also gives us a field staff of inspectors for which provision must be made under subclause (2).

As a result of these transfers that are authorized by this act it has been possible to completely reorganize the consumer affairs branch of the department. As I explained to the committee, we now have within the department a new standards branch which is made up of units of the former standards branch of the Department of Industry, Trade and Commerce and the policy unit of the Department of National Health and Welfare concerned with fraud and the economic aspects of the sale of food. We are establishing within that standards branch new units in the fields of textile and chemical products. This new branch will be dealing with weights and measures and with labelling regulations. We also have a consumer research branch, a new operations branch—

Mr. Peters: May I ask the minister a question with regard to weights and measures standards? Is it intended under the new legislation to instigate a continuing study with regard to the transfer to the metric system?

Mr. Basford: Not within this reorganization legislation. Conversion is the responsibility of my colleague, the Minister of Industry, Trade and Commerce. However, there is within the government an inter-departmental committee in which a number of my officials are extremely involved.

I mentioned the reorganization that was made possible in the consumer affairs branch of the department. I also mentioned that we have a consumer research branch and a new operations branch to direct the work of field units acquired from the Department of Industry, Trade and Commerce, the Department of Agriculture and the Department of Fisheries. As a result of this reorganization, we will be opening regional offices of the department in Vancouver, Winnipeg, Toronto, Montreal and Halifax.

I think that the creation within the department of a field staff and the provision of field

inspectors, field liaison officers and field advisors will make the whole operation of consumer protection more meaningful to the public of Canada because they will have an office of the department in their region to which they can go to learn about our programs. This is where our officials will be able to deal with the work of the department at the grass root level and to deal with the complaints that are received by the department.

We have also been able to establish a consumer service and information branch as well as a new legal branch which will deal with the enforcement of our existing consumer protection legislation and will assist in the development of new legislation and new programs.

Mr. McGrath: Mr. Chairman, I should like to make a few brief comments. As the minister indicated, the subject of the reorganization of the department has already been dealt with in the committee, but there are a number of outstanding matters to which I had hoped the minister would take this opportunity to make some reference tonight, such as, for example, the Batten report. The minister referred to it today in reply to a question that I put to him during the oral question period. This is a report on the retail cost of food in the prairie provinces. The minister indicated that he has yet to meet with the three responsible ministers from the prairie provinces to discuss this very serious matter.

The other thing to which the minister did not make reference, and again this matter has been raised in the house on several occasions, is the report of the Alberta royal commission on gasoline marketing. This is a voluminous report of over 700 pages. The minister indicated that it is being scrutinized and studied by the combines investigation branch of his department because this report has national implications. We hope he will make some reference to it because I understand that the report has been under study by the combines investigation branch for over a week. Surely, the house is entitled to hear a statement from the minister regarding the national implications raised in the report of this royal commission because the subject matter of the report affects people in every province of Canada and raises some serious implications.

One of the things that concerns me about the new Department of Consumer and Corporate Affairs is the conflict of jurisdiction. There are a number of areas in which the minister finds himself in conflict with the provinces. For example, I can refer to that part of the department's responsibilities which deal with corporations and corporate securities. The minister has made several brief references in this house to the business of the federal securities commission, just enough to cause some concern among provincial securities commissions and among other people who are concerned about how the government proposes to cope with this conflict in jurisdictions.

These are some of the things to which we hope the minister will make reference before the committee gives consent to passing this section of the bill which concerns the reorganization of the minister's department. We hope that in time the department's responsibilities will become a little more clearly defined than they are at present.

• (9:10 p.m.)

There are a number of areas in respect of which the minister and the appropriate officials of the department are receiving complaints from consumers across the country. The stock reply to those complaints and representations is that these matters fall under provincial jurisdiction, so there is not a great deal the department can do about them. I hope the area of the hon. gentleman's responsibilities will become more clearly defined in order that he may be less subject to the accusation that his department's activities amount only to window dressing, that he does not have the power to do what he is supposed to be doing in the exercise of his functions under the act.

The hon. member for Prince Edward-Hastings referred last night to the fact that the Department of Industry, Trade and Commerce was split up some five years ago to provide a portfolio for a new minister. Now, five years later, we find that the original arrangement is to be restored under the very legislation we have before us. That particular piece of reorganization cost the taxpayers in excess of $50 million. We hope this experience will not be repeated in the case of the Department of Consumer and Corporate Affairs, because there is a genuine desire on the part of hon. members to do something effective to protect the consumer of this country.

I know the minister is genuine in this desire. He was co-chairman of the committee whose studies preceded the setting up of the department, and he did a most effective job in that capacity. We trust this is not another

example of window dressing. We trust the functions which the minister has taken over from other departments will put teeth into the minister's efforts to protect the consumers of Canada. Finally, I again express the hope that the minister's functions will be more clearly defined so as to avoid the likelihood of a conflict of jurisdictions.

Mrs. MacInnis: Mr. Chairman, we can have little quarrel with the amendments proposed in this bill. They relate to the transfer of functions from the standards branch and from the Food and Drug Directorate to the department, and to the provision of inspection services. We favour these changes. We also welcome the minister's announcement that he intends to open regional offices. This would be a move toward decentralizing the administration. Nevertheless, it seems to me the minister has not made much of an attempt to outline the functions of his department in general.

I am not entirely satisfied that there was a thorough examination of this subject in committee. There were aspects of the subject that we had no chance to question at the time. Thus, while we are discussing the reorganization of government departments, I think we should take advantage of the opportunity to say some of the things which are on our minds. I want to talk for a while about the purpose of this department. As now constituted, the department has three branches—one might call them the three faces of Eve: consumer affairs, corporate affairs and combines investigation. Corporate affairs, the swinging, capitalist personality, is responsible for all matters involving corporations and corporate securities including such matters as bankruptcy, patents, copy rights and trademarks. In general, to use the words of the minister, this part of the department is concerned with administering many of the federal laws which regulate the businesses which supply goods and services. In this connection, the minister sees the role of the department as "increasing investor and shareholder confidence and enhancing the opportunities for raising capital." In addition he sees the department as an instrument for "ensuring probity in the marketplace." I prefer to take the minister's words rather than those of anybody else when they are available.

The combines investigation branch seems to me a most insecure and secretive personality. It is supposed to ensure a vigorous economy through a sound competition policy basic to a prosperous and vigorous economy. Again, I use the minister's words.

Finally, the consumer affairs branch is supposed to protect consumers from the abuses inherent in this same vigorous, competitive economy. I emphasize the word "inherent". It is supposed to protect them against fraud and deception by manufacturers through substandard packaging, inadequate labelling, misleading advertizing, games, gimicks and questionable credit practices.

In addition to concern about the safety and quality of products, the department is also supposed to be concerned with their price. After all, the department was set up after an investigation into the prices of consumer goods with particular reference to the price of food and the price of housing. I do not think we should lose sight of these circumstances. At the time, a great deal of credit was given to the boycotts by women consumers around this country as being instrumental in bringing that investigation about and giving final weight to the request for a department of consumer affairs.

The department was supposed to operate not only in terms of obscure and personal price indexes and figures relating to the performance of the economy but also in connection with the specific problems of people, including people living on low incomes, people living on fixed incomes and people without enough information to be "rational" consumers—people without proper protection.

The minister referred to the first aspect of these functions when he spoke during the budget debate on November 8, 1968. He said:

> I rise to speak today because of my particular interest in the performance of the Canadian economy from the point of view of the consumer whom it is my statutory obligation to represent.

Despite these fine sentiments and some real effort on the part of the minister, the department has failed to deal with the most urgent problems faced by people. I think it is doomed to continue this failure unless at least two important changes are made. First, the department has to overcome its schizophrenic personality. Second it must relate directly to people, and learn to work with them directly.

As far as the schizophrenic personality of the department is concerned, the minister says it is his statutory obligation to represent the consumer. But because of the way in which the department is now constituted it is also his statutory obligation to represent

businessmen, the producers. He himself recognized the contradiction inherent in this position when he spoke on December 9 and told us it was no secret that consumer interests and producer interests were often in conflict. Nevertheless, he continues to try to make these conflicting interests work in double harness. I do not think it can be done well within the same department. He said he was striving to obtain for all citizens just and fair economic treatment whether they were concerned with the supply side or on the consumer side of the market, whether they be consumers, investors or businessmen.

● (9:20 p.m.)

The truth is that when they are talking to their business friends, the minister and his officials keep explaining away their responsibilities to consumers. I see the minister smiling but just let him wait. Let me again quote Gordon Osbaldeston, the deputy minister of consumer affairs, who by the way has had a long career in the public service looking after not the interests of consumers but the interests of the Canadian business community in the Department of Trade and Commerce. In my view this is not an ideal apprenticeship for looking after the interests of consumers. From a recent speech in which he said that free enterprise was the goal of the department, I quote:

> We want businessmen to know what we are all about. That's why we start from the premise of free enterprise, and work from there.

This leads me to inquire: What is the purpose of the department? Is it to satisfy businessmen and the free enterprise system? Is it to protect the consumer? Or is it to give each one the idea that the department is on its side at one and the same time? Mr. Osbaldeston's view makes it clear that, in his opinion at least, the interests of business come first. And Mr. Osbaldeston is deputy minister of the consumer affairs branch, the official who is supposed to speak for the interests of consumers.

From the beginning the minister has insisted that, and again I use his own words:

> A knowledgable customer is no threat to the honest businessman and certainly no threat to the market place.

Surely, it is not the qualities of customers that threaten the marketplace; rather it is the inherent qualities of uncontrolled free enterprise. The minister is keen on consumer education to deal with this, but education is a two-way process. It is not just a question of informing the consumers how to be more careful shoppers; it is also a question of giving the consumers the chance to let the department know what they want and where they need protection.

The department has so far set up two new pieces of machinery that are supposed to carry out the function of protecting consumers. These are Box 99, the complaints department, and the consumer advisory council. But characteristically, the approach of both is impersonal.

As far as Box 99 is concerned, people can write to it if they know about it. Here, I give the department credit for taking steps to make it known. Possibly some time later on a letter will be received from the company that caused the particular problem, but what chance does one get personnally and publicly to discuss one's problem? Who knows about it? Does the department publicize the names of the companies that are taking unfair advantage of consumers? What measures are taken to protect other consumers from the same abuses by the same companies?

These are questions that I have had asked me by many correspondents who, as consumers, have had difficulties. The truth is, I believe, that the department of consumer affairs is not prepared to name names or even to provide an agency that will do so. It is simply too much interested in its heartfelt responsibilities to the business community to become effective in carrying out its over-riding responsibilities to consumers.

The second piece of machinery is the consumers advisory council, which according to its chairman ought not to look after short-term, specific problems. Dr. Leighton has said:

> It seems much less productive to me for the council to tackle highly topical questions, such as popsicles, than to study long-term problems.

Who, then, will study these tough, short-term problems? Such specific problems—including popsicles—are the very problems that the consumer has to face day after day.

The consumers advisory council would, in my opinion, be well advised to hold its meetings not always in Ottawa but at various points across Canada, including at each meeting at least one session that is open to the public and at which consumers can make themselves heard. This would put real meaning into the term "participatory democracy". Failure to do this is to substitute verbiage for the real thing.

Another piece of machinery that the minister envisions is a prices and incomes commission. We, in this party, have recommended

and shall continue to recommend a prices and incomes review board which would be exposed to the full light of publicity. As the minister presently explains the function of the commission, this body too will undoubtedly engage in long-term, impersonal studies that will have little to do with the immediate problems of people. It, too, will be non-participatory as far as the consumer is concerned.

The proliferation of bureaucratic institutions which stand like a fence between the minister and consumers, coupled with the department's failure to give the public the chance to be heard, dooms the consumer branch to ineffectiveness. And this despite regional offices, which are all to the good and which I hope will knock down a few of the palings in the fence so that at least we can get the odd look at the minister and his department.

This fear of public exposure and review carries itself to the House of Commons. Why is there no standing committee of the house to review the estimates of the department? I address this question to the government house leader as well as to the Minister of Consumer and Corporate Affairs. With all the other important departments having their standing committees, if the consumers of this country are also important why is there no standing committee of this house to review, in particular the estimates of the minister's department and to undertake special inquiries into consumer problems as they arise? I think this matter is very important and such a committee would at least permit some airing of these problems.

I realize the minister proposes that reports from the prices and incomes commission should be sent to a joint committee of the Senate and House of Commons. Why not send them to a committee that is directly responsible to the elected House of Commons?

In my opinion, business interests are already more than adequately represented in the other place. Let us not load such a committee with people who are not responsible in any way to the consumers. I think the House of Commons should have its own committee, instead of squeezing consumer affairs problems in with the already heavily taxed committee that considers the estimates of the department of health and welfare.

May I make one final point. The Combines Investigation Act needs to be overhauled so that it can become effective in protecting consumers. The hon. member for St. John's East has already referred to the Batten report and the role that should be played by the combines investigation department. Last fall we had the Batten commission appealing to the combines branch to investigate directly grocery prices on the prairies. To date, we have been unable to get any information that indicates that the combines branch is doing anything to deal with this matter.

The hon. member for St. John's East mentioned the period of a few weeks, but it has been five months since the Batten report was tabled. This royal commission appointed by the prairie provinces appealed to this department for help in protecting consumers.

Questions I asked during the minister's estimates last fall elicited that the minister had, at least at that time, no intention of bringing down the kind of amendments that would enable the combines branch to carry on such an investigation. He said—

Mr. McGrath: Would the hon. lady permit a question in order that I can correct the record?

Mrs. MacInnis: I will if I can have a few seconds added on.

Mr. McGrath: I did not refer to the Batten report. I was referring to the Alberta royal commission report on gasoline marketing.

Mrs. MacInnis: I thought the hon. member was referring to grocery prices on the prairies as well.

Mr. McGrath: I did refer to those but not in the context of a few weeks; that was the Alberta report.

• (9:30 p.m.)

Mrs. MacInnis: I am glad to be corrected. Until we can get these amendments the Combines Investigation Act is of little use to the housewife who is held up for ransom every time she goes to the grocery store. That has been proven to the satisfaction of almost everyone on the prairies, although it may not have been proven to the satisfaction of the combines director. The situation is, I submit, that the combines director is not satisfied with the evidence. I say that he should be given teeth by our putting teeth into the Combines Investigation Act; that way he could make the necessary further investigations that will satisfy even him that grocery prices on the prairies are away up because of combinations in restraint of trade. Until such

time as we can get a Department of Consumer Affairs divorced from the claims of big business—and I urge the establishment of a Department of Consumer Affairs, period—I urge the minister to bend over backwards to strengthen his consumer branch. I urge him to reflect on the profound words of truth which he himself uttered in the budget debate of November 8, 1968, when he said:

> In any event, the effects are no mystery to the victims of inflationary forces. These victims are the Canadians who are old, who are poor, who have no means of adapting their circumstances to the rapid change. They are not organized to insist that their incomes reflect rising price levels. They have no power to insist on a fair share. Citizens who enjoy no bargaining power cannot bargain for a better deal. A fixed income should not mean a fixed injustice.

Until the minister is willing to take the measures necessary to protect the consumer, to bargain for those who have no bargaining power, the fixed injustice will remain. I beg the minister to take additional measures, some of which I have tried to outline constructively tonight and which are essential if the consumer is to be protected.

Mr. Macdonald (Rosedale): In accordance with section 5 of standing order 6, Mr. Chairman, may I ask, with the approval of the committee, to interrupt temporarily the work of the committee so that the house may be in a position to deal with a motion which I propose to move to extend this day's sitting?

The Deputy Chairman: The proceedings of the committee will be temporarily interrupted for the purpose of proposing a motion under section 5(a) of standing order 6.

Progress reported.

BUSINESS OF THE HOUSE

EXTENSION OF SITTING HOURS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, pursuant to section 5(a) of standing order 6 I move, seconded by Mr. Andras:

> That the committee do continue until 12 o'clock p.m. this day for the purpose of continuing consideration in committee of the whole of Bill C-173.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Mr. Peters: No, Mr. Speaker.

[Mrs. MacInnis (Vancouver-Kingsway).]

The Acting Speaker (Mr. Béchard): Order, please. The motion is not debatable. Accordingly, since less than ten hon. members have arisen—

Mr. Peters: Would you please put the question, Mr. Speaker.

Some hon. Members: Question.

[*Translation*]

Mr. Latullippe: Mr. Speaker, we would be ready to sit until 11 p.m.

[*English*]

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

And less than ten members having risen:

[*Translation*]

The Acting Speaker (Mr. Béchard): And less than ten hon. members having risen, the motion is agreed to.

[*English*]

Mr. Peters: With respect, Mr. Speaker, I do not think you enunciated the rule under which you are proceeding. If an hon. member opposes the motion should not an additional motion be put?

The Acting Speaker (Mr. Béchard): According to the rules, if after the motion is put less than ten hon. members rise, the motion is deemed to be adopted.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker. If somebody objects to the motion Your Honour is supposed to ask those opposed to it to stand. I think my hon. friend for Timiskaming meant that Your Honour had not asked hon. members to stand.

The Acting Speaker (Mr. Béchard): Order, please. Will those hon. members opposed please rise?

And less than ten hon. members having risen:

The Acting Speaker (Mr. Béchard): Fewer than ten hon. members having risen, the motion is deemed to have carried. The house will now resume in committee of the whole.

Mr. McGrath: On a point of order, Mr. Speaker. May I ask the government house leader whether there will be debate at the normal time of adjournment. I have a very

important matter I wish to put on record, and wish to avail myself of existing grievance procedures.

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite prepared to interrupt proceedings, provided there is unanimous consent and also provided that immediately after the debate the house would revert to consideration of the bill presently before it. Of course, in the strict sense it is not open to me to extend unanimous consent. Perhaps on the understanding that present business would be resumed there might be debate at the normal time of adjournment.

Mr. McGrath: Mr. Speaker, I have a real grievance and I should appreciate the opportunity to put my remarks on the record. I would, therefore, ask leave of the house to make my remarks at ten o'clock.

Mr. Macdonald (Rosedale): The government would consent, if it is understood that we return to committee of the whole and continue consideration of the bill, in accordance with the order.

The Acting Speaker (Mr. Béchard): Perhaps at ten o'clock the committee might rise and report progress, with the understanding that after the brief interruption present business will be resumed.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

On clause 52—

Mr. Mather: Mr. Chairman, since we are again discussing that part of the bill dealing with the Department of Consumer and Corporate Affairs, may I draw the attention of hon. members to clause 52, and in particular the wording of subparagraph (f) on page 19 which reads:

—standards of identity and performance in relation to consumer goods;

Since I am the sponsor of a bill dealing with corporate and consumer affairs, I welcome the chance this evening of saying a few words on the subject. May I say to the minister that if he is given the added authority the amendment seeks to give him, he ought to use that authority with despatch. May I refer to Bill C-169 which is in my name and entitled "An Act to amend the Department of Consumer and Corporate Affairs Act".

• (9:40 p.m.)

This bill would require, and I hope the minister adopts the idea, that manufacturers should specify at the sales level the design life of products such as appliances. There should be a clear indication of how many months or years service a person can expect when buying it such as electric toasters or refrigerators. The manufacturer and marketer know the design life of the product and this information should be available to the consumer. I urge the minister, in line with this amendment, to follow up this proposal.

I would refer to Bill C-19, "An act to amend the Criminal Code (fine print clauses)" which provides protection to the consumer in the matter of fine print clauses for the purchase of goods or services, and protection against the exclusion clauses which, so often in fine print in the contract, absolve the seller from providing what the buyer thinks he is getting.

Last year, before the minister had taken over this department, he expressed some sympathy with this bill when it was brought before the house. He proposed that instead of larger type as proposed in my bill, that exclusion clauses be put in red type. I personally do not care how the minister or his department do it, but I urge that they enact legislation for the protection of the consumer in this particular and important area. In some contracts, the exclusion clause often changes the meaning of what the consumer thinks he is getting. There is one large area of great and growing concern to millions of consumers, possibly the very largest area. It is one in which standards, performance and services may cost us our money and, in too many cases, our lives. I refer to the field of automobile, trucks, tires, car insurance and repairs. I know Mr. Chairman that car safety standards, specifications of parts standards and tire standards come under the wing of the Minister of Transport.

If I may say so, this is an area where the Minister of Consumer and Corporate Affairs can hardly avoid having an interest. It might be that the Department of Consumer and Corporate Affairs and the Department of Transport should have a liaison group to enable both to know what is or is not being done. There is certainly need for action in this field to protect the consumers of Canada.

Last week in reply to a question I asked, the government said that there existed no mandatory standard for tire quality at the federal or national level. There is one thing Canadians use and are paying for, regardless of which province they live in or which official language they speak, and that is cars and car services. With regard to a consumer problem which is clearly the responsibility of his department, that is the standard of car repairs, I urge the minister to follow the lead of the United States legislators who are investigating the high price and low quality of car repairs. On orders of the day I have more than once asked the minister in this house what he was doing in connection with car repairs and an investigation thereof. He has replied more than once that his department is following with interest the proceedings south of the border. I urge the minister, with his new powers, to not just follow with interest but to give leadership in a matter which affects Canadians in every part of this country.

I intend to quote briefly, Mr. Chairman, from a recent article on this point in the March 8 issue of *Canadian* magazine, which is a weekend supplement of many Canadian newspapers. This is a long and informative article but it will suffice now for me to quote one paragraph:

> Canadians spend a staggering $2 billion to $2½ billion annually on car maintenance. About 6 million cars on our roads each need an average of $330 a year spent on them to keep them running. But many a driver has left a grease shop wondering if he's got his money's worth. A few months ago in Washington, the U.S. government launched hearings on the high cost of car repair. Though it is doubtful if the horror stories related there have the same relevance in Canada there's also some doubt that the industry is as fair and reasonable as most of their spokesmen would have us believe.

This is exactly the point I have been attempting to make this evening, Mr. Chairman. I urge the Department of Consumer and Corporate Affairs to prove its usefulness this year by initiating a similar probe into that important consumer service, car repairs, to the one which is now going forward in the U.S. congressional committee.

[Mr. Mather.]

Mr. Basford: I intend to make just a few remarks. First, I want to thank the hon. member for St. John's East for his helpful contribution to this debate. As I explained to him this afternoon, I will be going to Winnipeg on Monday to meet with the Attorney General of the province of Saskatchewan, along with his counterparts from Manitoba and Alberta, in connection with the Batten report. This is a report of a royal commission appointed by and reporting to these three western provinces. Each provincial prairie premier directed one of his ministers to study recommendations of the Batten report and their possible implementation in their respective provinces.

The chairman of that committee is the Attorney General for Saskatchewan, Mr. Heald. I will be meeting with these provincial ministers to discuss the federal-provincial implications of the Batten report. When the Batten report was made public, it was immediately brought to the attention of the Minister of Consumer and Corporate Affairs, now the Minister of Justice, who acted very quickly in having it referred to the combines investigation branch. At that time Judge Batten remarked on how very gratified she was by the fast action and speedy reaction she had received from the federal government.

(9:50 p.m.)

Many of the recommendations in the Batten report have been made by other committees and commissions, including the one that Senator Croll and I headed. Within my department we are looking at a great many programs for the protection of the consumer, and in the course of time we will be dealing with many of the things with which the Batten report deals. Some have been dealt with already and we will be dealing with more which are general consumer programs. I should have more to say on this subject when I return from Winnipeg on Monday night.

With regard to the Alberts Royal Commission on Gasoline Marketing, I should say that this is still being researched by the combines investigations branch. It was received by that branch only a short while ago, but I did say in the house that it was not my intention to amend the Combines Investigation Act until such time as the Economic Council reports on the government's reference to it on competition policy.

I also pointed out that the Alberta royal commission appears to deal with many of the same subjects with which the 1962 Restrictive

Trade Practices Commission report on tires, batteries and Accessories dealt. That T.B.A. report made recommendations on many of the things upon which the Alberta royal commission appears to have made recommendations. For this reason when the Economic Council was asked to consider combines and competition policy the T.B.A. report was referred specifically to it, and for this reason also I have sent a copy of the Alberta study to the Economic Council. I repeat it is not our intention to act on the Combines Act by way of revision until such time as I have the Economic Council's report, and I thought the Economic Council should have before it these various provincial reports.

I concur with the remarks made by the hon. member for St. John's East that we must avoid conflict with the provinces. This is essential, particularly in a new area such as consumer protection in which at both the federal level and the provincial level new departments are being formed and new programs being developed.

I think it is fair to say that in this area of consumer affairs and consumer protection, there is probably a higher level of goodwill and co-operation existing between the federal government and the provincial governments than in many other areas. We had a most successful, most useful and most co-operative conference of officials, federal and provincial, concerned with consumer affairs, last fall. At that time, it was agreed that there would be a federal-provincial conference of ministers concerned with consumer affairs, and the work leading towards that conference is going along well and apace. Therefore I, like the hon. member, am conscious of the necessity for federal-provincial co-operation. I think at the moment we have it. It is my determination to ensure we keep it.

With regard to the remarks of the hon. member for Vancouver-Kingsway, I had difficulty following some of them although she was kind enough to quote me. Apparently some of my remarks she quoted with approval, and others with some disapproval. I thank her at least for those of which she approved.

It has always been a bone of contention with the hon. member for Vancouver-Kingsway that this department is called the Department of Consumer and Corporate Affairs. At the time the department was set up I could not agree with the hon. member, and I cannot agree with her now. It seems to me that by having some of the corporate statutes that are within my department we are able to do a far better job for the consumer than we would otherwise be able to do. I refer, for example, to the Combines Investigation Act. Ineffective as the hon. member appears to believe it is, it seems to me it is far better contained within a consumer oriented department than within some other department.

The hon. member also mentioned the subject of credit granting. It seems to me that as an instrument to affect the credit granting industry and the practices within that industry, one of the most effective instruments is the Bankruptcy Act, which is in the course of revision, with an input into that revision by the consumer people in my department.

I go back again to the committee that Senator Croll and I chaired, and of which the hon. member for Vancouver-Kingsway was a very active and valuable member. One of the recommendations we made in that committee was that there should be much better and fuller corporate disclosure than there is at the present time. I ask, who can bring in the best corporate law revisions from the point of view of the consumer but the minister oriented to consumer problems and consumer considerations? That legislation is being readied within my department—

Mr. Orlikow: Where is it?

Mr. Basford: The hon. member for Winnipeg North knows. He reads *Hansard* and he knows my answer on that subject. It seems to me that these corporate instruments within my department and my responsibility provide much of the legal framework within which business operates. Thus, I can do a more effective job for the consumer than if those statutes were not within my department.

I have one other comment to make with regard to the hon. member's remarks about the Batten report. I have explained my position with regard to that to the hon. member for St. John's East. The fact of the matter is that that report was referred to the combines investigation branch. The officials of that branch studied the report and the evidence within it, and met with officials and research staff of the Batten Commission. With the assistance of that staff, the combines branch saw information that has not yet been made public. They saw all of the working papers of the royal commission, and it is the view and the advice of my officials, who have to act within the law, that the royal commission does not show evidence of an offence under the Combines Investigation Act. I have tried to explain to the hon. member that the royal

commission report shows many other things but it does not, according to the advice of my officials, indicate an infringement of the law under the Combines Investigation Act.

I revealed at the time, Mr. Chairman and it is very unusual to do so in the course of an investigation simply because that is the best way for the evidence to disappear, that my officials were carrying on an investigation into the pricing activities of a major marketing organization on the prairies. I agree with the hon. member that the Combines Investigation Act needs revision. I had hoped that she would have quoted my previous remarks on that subject, where I stated that I and my officials are determined to revise the act as soon as we have the Economic Council's report.

Mr. Orlikow: When?

Mr. Basford: The hon. member for Winnipeg North keeps asking when. Surely, he would not want me to revise it without waiting for the Economic Council's report—

Mr. Orlikow: Why not?

Mr. Basford: —and the advice of the Canadian Labour Congress, which I am sure has a great deal to say about combines policy and a good deal to put into the report of the Economic Council.

The hon. member for Vancouver-Kingsway says that I and my officials are wrong because we have not done certain things under the Combines Act as recommended by the Batten report, and seems to indicate that in this respect the Batten Commission is absolutely 100 per cent correct. Yet for some years the hon. member has urged that we have a prices review board, something which the Batten report specifically recommends against establishing. Now, is the Batten report right or is the hon. member wrong in urging a prices review board?

I have to judge the recommendations of that Commission. I have to look at the evidence and their recommendations—

Mrs. MacInnis: May I ask the minister a question?

Mr. Basford: Certainly.

Mrs. MacInnis: I would like to ask the minister whether in view of the representations of the Consumers' Association of Canada he does not believe that there should be an investigation forthwith into grocery prices on the prairies, and the Combines Investigation Act ought to be amended, without waiting for the Economic Council report, in order to make that possible?

Mr. Basford: No, I don't think the Combines Act should be amended until the Economic Council reports. I, and two of my predecessors, have made that very clear. If I might just say—

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

• (10:00 p.m.)

The Deputy Chairman: Order. It is my understanding that I shall rise, report progress, and that the committee shall be granted leave to sit again later this day.

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40, and pursuant to special order made this date, is deemed to have been moved.

INCOME TAX—DEDUCTION FOR BABY SITTING SERVICE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, two days ago I asked the Minister of National Health and Welfare this question:

> In view of the news today that businessmen can now take their wives on trips and deduct the expense from income tax, will the minister now consider allowing mothers who work outside their homes to deduct the expense of paying babysitters?

For years some of us have been trying to get income tax deductions for several groups of Canadians. One group is workers who require tools and special equipment. These are people like mechanics, plumbers, carpenters and electricians. These people have no means of deducting these necessary expenses for income tax purposes. It is not permitted under the regulations. Another group is mothers who work outside the home and who, in order to protect their families while they are gone, must have babysitters to look after the family. These mothers, and there are thousands of them across the country, are not permitted to deduct these expenses for income tax purposes. This is a tremendously serious problem. I receive many many letters from constituents and others across Canada. I

should like to read one which I have from a constituent:

> For the past 10 years I have been a member of the countless number of women in Canada's labour force who wholly support a family by working every day. During these 10 years I have provided an equally important source of employment to the individual who makes it possible for me to be employed by tending to the needs of my family while I'm not there.
>
> Now I pay this individual a good enough wage so that she is self-sufficient, even though unskilled, and has not become a burden to society.
>
> However, when the end of the year rolls around and it's time to "square up" with the government I find that I'm not only liable for my own exorbitant income taxes but must also pay the tax on the wages I've provided for my babysitter.
>
> This does not seem fair to me, nor does it seem fair to numerous women with whom I am in contact daily faced with the same situation.

As I say, this is one letter out of many letters I have received since I came here from desperate women across this country. In the face of the situation in respect of ordinary workmen and their tools and in respect of ordinary mothers working outside the home who are faced with the expense involved in having to have babysitters, we find a notice in the latest issue of the Canada *Gazette* to the effect that an employee will not have to pay income tax on money paid for his wife's travelling expenses provided she travels with him at the employer's request and that the main purpose of her going is to assist in attaining the business objectives of the trip.

A government official said the notice, which is not a new law but a new interpretation of an existing law, reflects a more liberal view of expenses advanced to travelling wives. Believe it or not that word "liberal" is not capitalized. It certainly is liberal, and I would hope that the party across from me does not accept it as a rule, because if ever there was anything that was an unfair interpretation and a discriminatory one, it is that. Last year the vice-president and general manager of the Toronto-Dominion Bank lost an appeal of the re-assessment of his 1963 taxes of $15,985. The Tax Appeal Board ruled that $241 which the bank paid toward the expenses incurred by his wife when she accompanied him on a trip to a bank meeting in Saskatchewan was taxable income. This is the case from which arose this new liberal interpretation of the Income Tax Act. The point I want to make is that in order to pay income tax in the amount of $15,985 this man must have been receiving an income of between $30,000 and $40,000. He appealed in respect of $241.

As a result of this appeal this broader interpretation was given. This poor mother to whom I referred, who had been out working in a self-respecting way and paying the wages of a babysitter, in all likelihood receives the average wage for women in industry. That average wage is around $2,500 a year. We have the government reviewing the income tax regulations which affect this man and others like him who receive incomes in the neighbourhood of $30,000 and $40,000. By implication, the government is saying it cannot possibly afford to allow the woman with an income of $2,500 a year an income tax deduction in respect of the money she spends on a babysitter in order to protect her home. I want to suggest that this is discrimination of the most rank and unjust kind. It is an open invitation on the part of this government to businessmen to live high on the swindle sheet. The Carter Commission, when it reported on these matters, indicated that deductions made in respect of income tax at the time the report was made ought to be carefully hedged around and should not be allowed to get out of bounds. These deductions should be kept very carefully within limits at their existing level.

Now, the income tax regulations are being broadened to permit business executives to take their wives with them on business trips and to deduct their expenses for income tax purposes. There does not appear to be any hedging here. Who is to decide in respect of the purpose of the wife going along? Is there to be any affidavit to the effect that she is on a business trip? Indeed, is there to be any affidavit that it is his wife who is going? There have been cases where it was not. Is this regulation to apply to people all the way down the scale? Is it to apply to workers who are not presently allowed income tax deductions in respect of their tools? Is it to apply to their wives when they take them on business trips? This is an inequitable, unfair, unjust tax, and I wish to say so in no uncertain terms.

The Acting Speaker (Mr. Béchard): Order, please.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am glad the hon. lady has made clear that her suggestion in her original question and I shall use her words—that businessmen can now take their wives on trips and deduct the expenses from income tax—was not correct. She has now quoted a report saying a deduction of this type would be acceptable to the income tax authorities only if the travel was at the

employer's request for purposes clearly connected with the business activities set forth by the employer for the trip. Also I think the hon. lady is not correct when she suggests the income tax regulations were changed to do this. It is my understanding the memorandum issued by the Income Tax Department was one of an explanatory nature only and which may well have arisen not from the case she mentioned involving the Toronto-Dominion Bank but from another court ruling involving some circumstances connected with a life insurance company executive where the wife apparently was very closely connected with the business purposes of the convention in question.

• (10:10 p.m.)

I would also like to point out to the hon. lady that the suggestion she made in her question, which is one that people on all sides of the house have brought to the attention of the government, namely, that mothers who work outside their home be allowed to deduct the expense of babysitters to care for their children, would require, if it were to be put into effect, not a simple change in the interpretation of the regulations but an actual amendment of the act. Representations to this effect are receiving study during the examination of the recommendations of the Carter commission and other proposals regarding tax reform from other sources. This study is under way at the present time by the government.

As the house knows, the government has said it intends to table a white paper in June setting forth its proposals for tax reform. I am sure the hon. lady knows it is not customary for the government to announce recommendations for changes in the Income Tax Act except in the course of a budget presentation, unless there are special circumstances in which it puts forward a series of proposals as part of a white paper. The representations in the area the hon. lady has mentioned are similar to those which have been put forward, as I have said, by hon. members on all sides of the house, and they are receiving consideration at this time.

FISHERIES—SEALS—REPORT ALLEGING FRAUDULENT FILM PRESENTATION OF KILLING METHODS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my grievance refers to the question that I directed to the Minister of Fisheries (Mr. Davis) yesterday and the day before regarding a film which is once again being circulated around the western world and is doing great harm to Canada's international reputation. I asked the minister if he would agree to having a memorandum, which very thoroughly goes into this subject, tabled in the house so that hon. members can read for themselves the real facts. Only today there was a demonstration at our consulate in New York City over the showing of this film on New York television a few days ago, and there have been demonstrations in Germany and other countries in western Europe. I am particularly concerned because I understand the film in question, produced by Artek Films Ltd., was commissioned by the French network of the C.B.C., Radio Canada. Reference was made to this in the *Maclean's* magazine edition of March 5, 1966. I would like to refer briefly to the memo, which reads as follows:

This has reference to your request for the facts we know concerning the first film made on sealing in the Gulf of St. Lawrence. The information we possess is given below:

1. The film was made by Artek Films Ltd. of Montreal in March of 1964.
2. The chief cameraman was Mr. André Fleury, assisted by Mr. Uwe Konemann.
3. Mr. Serge Deyglun wrote the script and voiced it for the film. Mr. Henri Stadt arranged the background music.
4. The filming commenced two days before the opening of the sealing season.
5. Before the film crew went to the ice, they allegedly asked for permission to do so from Fishery Officer Beauchesne. Mr. Beauchesne does not recall having given such permission to Fleury or Deyglun, but even if he had been asked he would not have been able to prevent them from going to the ice for the purpose of shooting film. The fact that seals were killed before the opening of the season, however, constituted an illegal act.
6. Three, and possibly four Magdalen Islanders were employed and we have written statement from Mr. Gustav Poirier in which he states that he was asked by the people making the film to torment a seal with a knife.
7. The film was shown on the Magdalen Islands on the evening of March 7th, 1966, at which time positive identification was made of three of the Magdalen Island hunters who appeared in the film.
8. Following the showing of the film Messrs. Mark Ronayne and A. Arsenault and Fishery Officers Dudka and Beauchesne had a discussion with Messrs. Konemann and Stadt who were also present for the showing.
9. Under questioning Konemann admitted that he had attempted to skin the live seal but that this had made him ill and one of the hunters shown in the film partly finished the job. He was asked for a written statement but said that he could not provide this since he was afraid of being boycotted in the film industry. He indicated, however, that if a formal inquiry was initiated, he would answer questions put to him.
10. The hunter shown in the film using a rifle with a scope to shoot adult seals both on the ice and in the water was identified as Serge Deyglun. The killing of these seals was done out of season.
11. One portion of the film had a scene with a Magdalen Islander poking at an adult seal with what appeared to be a knife.

12. Messrs. Konemann and Stadt both stated that they did not have any control over the final version of the film; also that they did not lie the way the film had been done and regretted the impact it had on the sealing industry.

That memorandum to the Minister of Fisheries is dated Ottawa, February 29, 1968. Yesterday in a daily trade publication published in New York City, reference was made to the questions raised in the house by myself a few days ago. I will quote from that publication, which is called *Women's Wear Daily*, the retailer's daily newspaper. It refers to a New York official of the S.P.C.A. and reads in part as follows:

Thursday morning, he added—

He is talking about today.

—there will be pickets outside the Canadian Consulate and Tourist Office here. Placards with photos and statements will protest the Canadian seal hunt.

This film has been circulated every year since it was first produced under commission by Radio Canada in 1964. It has been shown extensively in West Germany and other western European countries, and in the United States. It has resulted in demonstrations at Canadian consulate offices and embassies in these countries. I suggest it has done great harm to Canada's good reputation abroad and is doing very serious damage to the sealing industry in this country, which is so important as a supplementary source of income to the islanders of the Magdalen Islands, the fishermen of Newfoundland and the fishermen of Gaspé.

I submit that the very serious allegations and charges made in this memorandum which was submitted to the minister last year, referring to the film which is once again being circulated, are serious enough to warrant a parliamentary investigation. My purpose in bringing this matter to the attention of the house and the minister is to ask for such an investigation. I request that this matter be referred to either the Standing Committee on Fisheries and Forestry or the Standing Committee on Broadcasting, Films and Assistance to the Arts for a thorough investigation. I ask for this investigation because the film has done more to hurt Canada's image abroad than anything else in the last 20 years. It has done serious damage to the Canadian sealing industry, and is doing so every day.

I know that the minister and the government are genuinely just as anxious as I and other hon. members to have this matter cleared up once and for all. I submit that the only way this can be done is for the government to agree to having the matter referred to the Standing Committee on Fisheries and Forestry or the Standing Committee on Broadcasting, Films and Assistance to the Arts for a full parliamentary investigation, so that Canada's good reputation can be protected.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I am sure the hon. member for St. John's East (Mr. McGrath) does not expect me to comment on the various sources which he quoted, the magazine, newspaper articles, and so on. I am sure, also, that he does not really expect me to comment on the material which he sent over to me and which I described as part of an internal memorandum which was prepared by the Department of Fisheries just over a year ago for the use of the then minister of fisheries.

I can say to him that I am endeavouring to check some of these alleged facts. I have been making an inquiry, particularly with the C.B.C., which did contract for the original film back in 1964. I am determined to find out what happened in respect of the production of copies of the film. I understand the original of the film is still the property of the C.B.C., and is in the possession of the C.B.C.

• (10:20 p.m.)

We are concerned about copies which are being shown in other parts of the world. I am concerned also, to the extent of working with the Department of External Affairs, to find out who is showing this film and under what circumstances. I do not think that at this time I can promise the hon. member that I would ask to have this matter referred to one of our parliamentary committees. First I would like to know more of the facts myself. It is a serous matter and, as the hon. member says, it is creating a good deal of disturbance in other countries. A great deal of misinformation is being broadcast around the world as a result of the copies of that original film.

I am sure he is also aware of the fact that other visits have been made to the hunt in recent years and that films taken of the hunt itself, particularly in colour, are also bound to cause some distress in some parts of the world. It is a serious subject and I will do my best to produce some of the facts for which the hon. member has asked.

The Acting Speaker (Mr. Béchard): Pursuant to a special order made this day, the proceedings on the motion to adjourn are now terminated. The house will now resume the business which was interrupted at ten o'clock.

Government Organization

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Béchard in the chair.

The Deputy Chairman: Order. The house is again in committee of the whole on bill C-173. The committee will now proceed to clause 52.

On clause 52.

Mr. Basford: Mr. Chairman, I will just be a minute longer to remark on some comments of the hon. member for Vancouver-Kingsway relative to the box 99 program which she said was impersonal and unrelated to people. I want to deny that charge, and I do so rather vehemently. I think it is a rather unique program and the government should be commended for setting up a special branch called the Canadian Consumer, Box 99, Ottawa, and for spending money and effort to go out and urge people who have complaints and suggestions to write to box 99.

This is a rather unique experiment which is working very well, and I say this on behalf of the officials in my department. We have a problem to make people aware of the fact that box 99 exists. My officials and I spend a great deal of time and effort trying to get the concept of box 99 across to people. Everywhere I go I speak on hot line programs. We send out mail, communiques and notices. My officials go on speaking tours and talk about box 99 all the time. We want to involve the people of Canada in that program, and this is the exact opposite of being impersonal or unrelated to people. This is one of the most people-related programs of the government of Canada. As the hon. member said, we do not go about naming people who have made complaints to box 99 and in this way getting headlines because the average citizen who writes to us with a complaint does not want his or her name in the newspaper. My officials are concerned with solving that complaint and not with getting headlines. If the complaint shows us that some criminal or other offence has been committed under the Weights and Measures Act or under an agricultural products act, then we report the evidence to the appropriate authorities, either federal or provincial.

So, I do not agree with the criticism of that program made by the hon. member. I think it is one of the most people oriented programs of this government.

I will conclude by referring to the remarks made by the hon. member for Surrey and will mention only one of the three points he made, namely the one regarding automobile safety. This matter is the responsibility of the Minister of Transport, but there is an interdepartmental committee on consumer affairs and my officials are on it and take an interest in the subject.

Mr. Orlikow: I was interested in the remarks made by the minister about the proposed anti-combines legislation. This is my seventh year in the house and it is the seventh year that I have heard ministers explain why this month or this session is not the time to bring in legislation to do something about the spreading of the iniquitous combines which exist. We have had anti-combines legislation in this country for almost 50 years, legislation introduced by a Liberal government under the leadership of the long-time Liberal prime minister of this country, Mr. Mackenzie King. For many years, until the public realized the futility of that legislation, the Liberal party and Mr. King used to make out that this was one of the jewels in the kind of good, progressive government which they were giving this country. We have not heard much about that subject in recent years because there is not a person in Canada who does not realize that our anti-combines legislation is, to a large extent, futile, and where it is not futile, is a hoax.

The department has some very good people carrying out investigations into these combines when they have complaints. I can think of many such investigations, such as the one into the possible combine in the price of prescription drugs, investigations about paper, about paper boxes, and about glass. There have been dozens of investigations which were very carefully and capably conducted, as a result of which many combines have been found to exist and the cases were taken to court. Over the past 50 years we have had, I suppose, hundreds of companies investigated which I could take the time to name but which I will not because I am sure the minister knows the subject better than I do.

These companies were prosecuted and convicted not just once but, speaking from memory, as many as four times. The companies were fined and, until very recently, the maximum fine imposed on them was $10,000. Recently, the fine has gone up to $25,000. As the Leader of the Opposition said on other occasions, what is a fine like that? It is a darn cheap licence to steal from the public.

The minister said we had to wait for the report of the Economic Council of Canada before drafting amendments to the anti-combines legislation. I do not know whether or not the minister or the government gave the Economic Council a deadline by which they should report, but why do we have to wait for the report of the Economic Council? Is there any question that we have combines operating flagrantly and openly in this country? Surely, there is none if we study the number of successful prosecutions that we have had. Is there any question that the present legislation and the penalties prescribed by the law as well as the attitude of the judges have failed completely to stop combines and to stop companies from getting together in combines to set exorbitant prices? Almost from the first year I came here I have had on the order paper a private members bill, which has been discussed two or three times, in which I propose a simple amendment to the legislation, that an officer of a company convicted for the second time of being party to an illegal combine which milks the public should be subject to a mandatory jail sentence.

• (10:30 p.m.)

I am not one noted for feeling we ought to be tough on those who break the law, but I know that when I try to discuss this question I can hardly get hon. members opposite to listen. They think it is terrible I should make this suggestion. But I do not see why a person who robs a grocery store or a bank should go to prison while a corporation director, who may be a member of the Rideau Club across the street, should be considered to belong to one of the top drawers of society. I think he should be penalized in the same way. The government, of course, thinks this is nonsense. Canadians often tend to look down their noses at the way things are done in the United States. We tend to think Americans are not like ourselves, and in many ways they are not. Their legislation is not perfect but the other day they set us a good example, using legislation which is much better than our own. In the near future, the minister is to bring before us again a bill which hopefully will do something about reducing drug prices. I suppose we shall support that bill while pressing for certain amendments. But the minister knows, as I do, that this measure will do very little to improve the situation.

By contrast, look at what happened in the United States within the last month. Five or six of the biggest United States drug companies, all of which have Canadian subsidiaries, were charged in a United States court with having combined to keep the price of one particular drug, tetracyclin, at a price much higher than it ought to have been. Under United States law, after a company has been convicted of having been a party to an illegal combine, a consumer has the right to sue for damages. I am speaking from memory, but I believe I am correct when I say a consumer has the right to sue for triple damages. When the companies realized they were going to be convicted and that various state, municipal and other institutions such as hospitals, the veterans' administration and so on, intended to sue them in respect of the over charges they had made in the pricing of this one drug, they agreed to settlements out of court under which they would pay the sum of $120 million.

We beg, borrow and steal enough ideas from the United States. Why cannot the minister bring in legislation of this type? Why must we wait another six months or another year or another two years for the Economic Council to bring in a report? I have obviously more confidence in the minister's officials who have been working in the field of anti-combines legislation for many years, than the minister has himself. I do not think there is any need to wait for a report from the Economic Council. The Economic Council is a good group of economists, probably the best we have in Canada, but they can tell us only what we already know. They can document probably in more detail than is so far available the fact that in every important facet of Canadian life there are combines. I would point out that the Economic Council does not to my knowledge have lawyers on its staff, the kind of people who can tell us exactly what should be in the law if we really intend to do something about combines. These men are employed by the minister's department. The minister ought not to tell us tonight that he has to wait for the Economic Council to study this question.

There have been so many examples of conduct of the kind we ought to be suppressing.

Not more than a year ago, because of the war in Viet Nam and because of the strike of copper workers in the United States, one major Canadian company which only a month or so earlier had announced the largest profit it had ever made in one year—I am speaking of Noranda—increased the price of its copper by eight cents a pound. I am speaking from memory. Why was this action taken? The answer is: because the market was there. And immediately, International Nickel, Cominco and all the other companies followed suit. I suggest to the minister that a combine was operating in this case. These companies got together and agreed they could get seven or eight cents a pound more.

The former minister of trade and commerce told us he would look into this situation. He did so, and then suggested we were very lucky, because in Britain the price had been raised by twice as much. But, Mr. Chairman, there was no need for this increase in the price of copper, an increase which led immediately to higher prices for all consumer goods in which copper was used. What did the government do about the increase? Nothing.

It is no service to the Canadian people for the minister to tell us tonight that he can do nothing about amending the anti-combines laws, laws which I think not even the hon. gentleman would defend as being adequate, until he has received a report from the Economic Council. After he gets such a report he will, I suppose, hopefully, tell his law officials to go ahead. That will take a year or two, by which time there may be another election and a new administration which will not even agree with what the present government might propose. I suggest the minister should tell us tonight that he intends to move forward in this field, and act not later, but now.

Mr. Mahoney: I hope the minister will not get the impression that this is my day to have a vendetta with him. I can well appreciate his reasons for not amending the Combines Investigation Act piecemeal. However, we are faced with an anomalous situation.

When the legislation was first brought in, it dealt with commodities, or tangible goods. Subsequently, the fixing of insurance premiums was brought under the act. Insurance is the only service industry aspect with which the law presently deals, and in this day and age where service industries probably account for 35 per cent of our gross national product it escapes me why the act cannot at least be extended to cover service industries, even if the rest of it is left unchanged. We are well aware of price fixing arrangements in service industries which are completely escaping the purview of the act at present.

Mr. Peters: Because of the way in which responsibility is distributed within our caucus, I did not expect to have an opportunity to speak on this particular part of the bill. However, as a result of the arrangements made possible by the government, and I certainly wish to thank the people of the house in this connection, an opportunity has been afforded to me and I believe I should avail myself of it.

I have been interested in all aspects of Bill C-173 but particularly in the part which concerns the Department of Consumer and Corporate Affairs. Everyone in the house expects a great deal from this department, more, perhaps, than from any other department with the possible exception of the Department of National Health and Welfare from which we also expect a great deal. These two departments, I suggest, affect the lives of individuals in Canada more than any other section of government, with the one exception of the department headed by the Minister of National Revenue, at a time that is shortly approaching.

• (10:40 p.m.)

I am pleased that authority over the combines investigation branch is remaining with the minister. I am sure that if the minister is able to make any immediate change in any of his new responsibilities, it will be here. In my office—I think the same is true of other members—I have row after row of reports made under the Combines Investigation Act dealing with such things as gasoline, tires, fencing, automobile accessories and so on. It has always interested me to note that after an investigation is completed, and due process of law has taken place, a company that has made $5 million or $6 million from a particular combine is only required to pay a penalty of, say, $10,000. The company is not required to pay back the money it illegally collected from the public.

It seems to me that if I were a bank robber any bank I robbed would want its money back. They would not think it sufficient that I pay the penalty of a bank robber, eight or ten years in jail, and that I keep the money I stole. The other day I read in a paper that somebody had stolen $1.4 million, I think it

was, and although the thief went to jail the court wanted the thief to pay the money back. Yet, we do not ask combines to refund their ill-gotten gains; payment of a penalty is sufficient. I am pleased the maximum penalty has been increased, but it is still not high enough to prevent the same firms committing the same offence again.

I can call to mind two combines as examples, flour and steel. In each case no refund was made to the consumers even though the companies concerned were found guilty of combining and illegal price setting. Although the court decides in most cases how much money has been made by a combine operation, it does not require repayment of that money to the people; although guilty of the offence, the combine keeps the money.

Why the distinction between such cases and bank robbers? If he pays his penalty to society, why cannot the bank robber keep his ill-gotten gain? I am sure that the Economic Council would not look at this question from the layman's point of view but from the economic point of view, how it has affected the industry concerned. If the industry is not particularly competitive then the penalty will be paid.

I am pleased to see corporate affairs retained in the department, because I feel it is here the minister will make the biggest impression. I think even the smallest effort will produce results in this field. Even though Canada is industrially developed it is not able to enforce the honesty of advertising as other countries do.

For example, a television advertisement shows a very attractive girl in a bathtub using a particular brand of soap. It is, of course, the best soap. The impression is created that if all women used that kind of soap, they would also be attractive. This is not true.

Mr. Aiken: How do you know?

Mr. Peters: Well, I do not think it is true, but I would willingly refer the matter to the Economic Council for further study. It might even be decided to hold an investigation, and I would be happy to serve on the committee. But it is safe to say that most advertising of this kind does not guarantee the results indicated.

When I was a miner people would knock on my door and claim that if I bought, say, a blender I would save so much money on baby food and on other items that have to be predigested. I was told that if I bought a freezer I would again save money by buying under a freezer plan.

It always reminded me of a neighbour of mine who had a particular make of car. As people are prone to do, he kept telling me it travelled so many miles to the gallon and was the best vehicle on the road. We all like to think that because we do not want to admit we have made a mistake. I always used to laugh because the young boys would tell me that, having told me how far his car would go on a gallon of gas, he often had to stop the car and pump gas out of his tank because he was getting more mileage than he thought.

Obviously there is something wrong with the claims of people who knock on doors and tell the housewives they will save so much money by buying certain products. This policy just does not seem to work. I suggest that it is with this sort of thing that the minister of consumer affairs will have to concern himself.

If I may give another example, I recently stopped at a grocery store to buy an aerosol can. It seems these products have very little labelling to indicate the contents of the can. In some cases the can weighs one pound, in other cases 12 ounces and in still other cases eight ounces, yet the cans are all the same size. Naturally, it is difficult for housewives to determine how much liquid is in the can.

The same is true with other products. In this regard, I think the minister will find himself running into problems with packaging. For example, I have talked to many women who tell me that they really want the tea towel contained in a box of soap powder more than the soap powder itself. If the box were full it would contain a great deal of soap. Since it probably contains a towel, the size of the box bears little relation to the amount of soap it contains. The housewife does not know how much soap she is getting; nothing on the package tells her that accurately. Consequently, she cannot compare the prices of brands A, B and so on, of soap.

• (10:50 p.m.)

Another problem we run across is connected with the labelling of poisonous or semi-poisonous substances. Many commodities, like aspirin, do not harm adults when taken internally in fairly large doses but can prove lethal to children. Many household cleaning substances are not marked "Poison" because it is not expected small children will use them. Many housewives of course keep these cleaning materials within reach of children

and may not be aware of the danger to which they are exposing the children. The other day I read in the newspaper where a child swallowed an L.S.D. capsule, with disastrous results. An adult would have been affected differently. As for the child, its respiration stopped, heartbeat was reduced, and if medical attention had not been immediately available it would have died. Clearly, the child obtained a commodity which was not dangerous for adults but dangerous for children.

I also wish to raise the matter of grading clothes according to size. We seem to have no standards for grading the size of clothes. A woman may go to a store to buy a size 8 garment for a child, only to find it does not fit that child. Our clothing is made to fit average people; but since most children are either below or above their average in height or weight, clothes often do not fit. While sizing clothes this way may not be dishonest, it certainly is irksome to the housewife. These remarks also apply to shoes as well as to many types of wearing apparel for adults and children. The department ought to establish some standards with regard to sizing, so that we may know exactly the size of the clothes we buy.

Labels on clothes or curtains are often misleading. Materials that are said to be washable are found after washing to shrink. The same is true of dry cleaning. I have been to a local laundry and heard women complain that curtains which, according to the label, could be dry cleaned had shrunk after dry cleaning. Another complaint is that labels on some consumer goods are not specific enough to enable consumers to determine exactly what they are buying. Sometimes a consumer will not know if goods are being sold at bargain prices, mainly because labels describing those goods are not clear in their meaning.

Last year the agricultural committee visited western Canada. I had the opportunity of visiting several flour mills and was interested, on talking to grain commissioners, to find that flour shipped out of this country must be labelled accurately. We, in Canada, buy flour of two grades—general purpose flour and cake flour. Yet those countries buying our flour know whether they are buying No. 1 Northern, No. 3 Northern, No. 3 Milling and so on. Our flour is not graded in our grocery stores and it may be that the consumer is not buying those grades of flour to which he is entitled. The minister said that an investigation is being conducted into this matter, as well as into the matter of groceries in western Canada. Before introducing changes in this field, I know he must wait for that report.

Other investigations in other fields are being conducted in this country. In northern Ontario an investigation has been going on for a number of years into gasoline prices. No decision has yet been made and the price structure of gasoline in northern Ontario has not changed. The industry knows up there that it is being investigated, yet seems unconcerned. There would be no harm in making inquiries under the Combines Investigation Act public inquiries. People being investigated could make representations and we would know where they stood. A number of factors are involved in the matter of gasoline in northern Ontario. For one thing, there are too many gas stations for the area to support. That is the fault of the gas companies which have built more gas stations than are needed. Owners of these gas stations cannot make a decent living unless they charge exorbitant prices for gasoline, the result being that gasoline prices in Northern Ontario are considerably higher than in other parts of Canada. I point out that the blame does not lie with operators of the stations but with the big companies which have built too many stations, to the detriment of the community.

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

Mrs. MacInnis: Mr. Chairman, may I again address myself to the minister. I am distressed by his inability to understand one or two of the points I tried to make. I will make it a little easier for him to understand what I am driving at by asking him three specific questions. I would appreciate his answering those questions. I asked a question before in connection with "Box 99", and I want to raise the matter more specifically now. The idea of "Box 99" being the point to which people can address their grievances is good so far as it goes, but it breaks down because consumers have nowhere to go to hear the results of their inquiries. There is no advantage to consumers in having "Box 99". It seems that the consumer will ask a question or bring up a complaint, and that will be that.

• (11:00 p.m.)

I ask the minister, where legitimate grievances are found following investigation, will his department publish the result so that consumers may be spared buying faulty products

from companies who are defrauding and shortchanging the public in various ways? Secondly, will the minister consider discussing with the consumer advisory council the desirability of this council holding meetings in different Canadian centres, and that such meetings include at least one's session at each centre for a public hearing?

Third, will the minister consider pressing for a House of Commons standing committee on consumer affairs strictly accountable to this house? I would appreciate answers to those three specific questions. If the minister finds it difficult to understand those questions, I will make them even simpler for him. I really want answers to those questions.

Mr. Basford: I regret the answer to all three questions is no. With regard to Box 99, my officials are and will deal with the individual complaint that has been made and make every possible effort to correct the situation. If there has been a breach of the law revealed by that complaint, we will take action to see that the person breaching the law is properly prosecuted. If the complaints demonstrate that people need education in a certain area, we will use our communique and other means to inform consumers of the possible dangers or hazards. If the complaints indicate that legislation should be passed, and we decide it should be passed, every possible effort will be made to pass it.

On the second point with regard to the consumer advisory council, this is an independent council and I am not in a position to decide whether they travel around. This council has a limited budget for the first year and for the moment that money could be better spent establishing themselves, hiring research assistants and getting some projects under way.

With regard to the third question, my concern at the moment is the establishment of the price and incomes committee and the parliamentary committee that goes along with that. That is my priority for the establishment of committees. As the hon. member knows, it is up to this house to establish committees. Last October and December, the committee on procedure studied the committees of the house and a consumer affairs committee was not established. The unanimous decision of an all party committee was that the committees of the house as listed in the order paper were to be the committees. They did not include one on consumer affairs.

Mr. Skoberg: I was somewhat surprised, Mr. Chairman, at the attitude the minister displayed toward my colleague from Vancouver-Kingsway, and the offhand attitude he displayed in this house this evening. I agree that his department is probably well versed in problems affecting consumer prices, but I cannot understand why the consumer must go to the department to get action. It is completely idiotic to expect people who buy a package of cereal to write to Box 99 to the effect that in less than three weeks an item such as "Shreddies" has gone up five cents while the price of grain has remained the same or has decreased. It does not seem proper in this modern day for the minister to expect people to go to his department for action.

There is a lot of talk about a price and wage review board. Prices and wages have gone up, but the government has done nothing to see why profits have gone up. If there is to be a price and wage review board, then the government must look into the question of profits. I am amazed a department will be set up under this reorganization without any recommendation from the minister to include responsibility for prices, wages and profits. If the minister would be serious for one moment, he would realize this has to be initiated from the top. It cannot be done from the bottom.

Letters have been received from senior citizens and families now subjected to consumer costs beyond their means. It is completely wrong that a department should suggest to these people that they must come to the government to find out why prices have risen. Any member of the minister's department could go into a store for one, two or three weeks and he would find out where the profits are and why the prices are so high.

It is strange the research people the minister mentioned cannot do something to find out why these prices have gone up. Possibly, it might be wise to go back a few years to the time price controls were lifted and see what happened then. Price increases followed immediately without waiting for wage increases. The price of steel jumped 12 per cent, but the government did not ascertain the reason for this. Transactions such as this are often put into effect in the stillness of the night without any previous announcement. The government did not do anything to stop excessive profit making by Canadian corporations from that time to the present, and no doubt will not do anything in the future. It is true that certain Canadian corporations were

prosecuted for price fixing, but at the same time as they were being prosecuted price fixing continued. The profits rose merrily without a word from the government or anyone else in a responsible position.

In 1966 the profits of Canadian corporations were $5.5 billion, all extracted from a population of 20 million people. I ask the minister whether this is fair. I would give the minister credit for initiating this program if there were somebody at the top who would take the initiative to do something about this problem.

In presiding over the trial of certain Canadian bakeries, Justice Boyd McBride stated:

> It was a system of misrepresentation and fraud, a system of plunder comparable to meeting a man on the street and forcibly robbing him of his money ... practices of this kind perpetuated by so-called reputable companies must be scathingly denounced by this court and I do denounce them.

• (11:10 p.m.)

The minister knows it is many years since this happened. Since that time there has been no effort on the part of any government to do anything about the matter, even though a Supreme Court justice made such statements.

The Vancouver *Sun* of April 20, 1961, carried the statement of the manager of an electrical firm in which he admitted that knowledge of price fixing went all the way to the top and that he had been ordered to attend illegal meetings with competitors to stabilize the market. Hon. members left in this chamber, and not too many of those who voted to stay are here, know what is going on today. All they have to do is look at the prices of products on store shelves. I think it is shameful that the consumer is subjected to this type of treatment.

E. P. Taylor, who controls all but one of Canada's major breweries, has been reported as saying:

> I am sure that we have the power to control prices and sales practices and while it may be necessary for us to start local price wars here and there to discipline a small competitor, I am sure the profits will prove most gratifying to the shareholders.

E. P. Taylor is recognized as a great Canadian, but I suggest that any Canadian who would make a statement such as that is not doing a service to the country or to those he is supposed to represent.

Adam Smith, a well known political economist, stated:

> People of the same trade seldom meet, even for merriment or diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices.

[Mr. Skoberg.]

Surely, the minister and the government must know that there is a conspiracy right now to raise prices. Prices are being raised, and the effect is greatest on those least able to afford them. We have now got to the stage where people have to write to a box number to tell the minister about increases, but this serves no useful purpose. I am sure the minister and his department look into situations that are referred to them, but after doing so do they really prosecute those responsible in the courts? Do they let the people of Canada know what they are dealing with? I do not think they do.

We must realize the defenders of the so-called tight money policy and of the profit system are those who are taking the actual dollars out of the individual's pockets. The government should be willing to tell these people that the country will stand so much and no more. A government big enough to stand up and do that would have the respect of the entire population. It would not be subject to the treatment that most politicians get, including the minister, when he goes out on to the hustings, finds large families in want and tells them to write to Box 99. I am sure he is not proud of having to do that in our present day society.

The greatest problem facing Canadian families today is the ever increasing cost of living. This is the first item mentioned by people in reply to questionnaires that I have sent out. Pensioners and others on low fixed income are going to lose their homes and everything else due to the rising cost of living. The results of a recent Gallup poll showed that 47 per cent of those questioned cited high living costs as the source of their biggest troubles. We can imagine the category in which the others are, when the cost of living does not bother them.

Since 1965 the cost of food has gone up 12 per cent, clothing 13 per cent, housing 11 per cent, transportation 10 per cent, health care 12 per cent and recreation 12 per cent. These figures are not up to date, but I am sure the minister has the most recent figures. In the same period, despite some unusually large wage gains in 1966-67, over-all wage increases have barely kept pace with price increases. Many hundreds of thousands of workers in low paid jobs have actually seen the purchasing power of their earnings diminish.

All members in this chamber, even with the great amount of money they are now receiving, know that the purchasing power of that money is steadily declining. We all

should know what it must be like for those with incomes below $3,000 a year.

Those who are hardest hit by spiralling living costs are pensioners and others on fixed incomes. They are our senior citizens and our retired civil servants. With this so-called inflation, those who were previously self-supporting can no longer be self-supporting. I suppose this is the type of people the minister suggests should write to box 99.

When these people are completely down and out, and have to go into nursing homes for which they cannot pay, they must go on the welfare rolls. We all know that at one time $4,000 a year was considered the minimum at which a person could have any reasonable type of living. This figure has skyrocketed since then. We know that there are millions of underprivileged people in this country right now, and still we sit in this house and piously say we are going to set up a Department of Consumer and Corporate Affairs. If the minister is really concerned with the poor people, then please let him do something. Let him initiate action and not wait for action to be initiated from some other source.

Some governments and some members of parliament suggest that labour is the villain responsible for all our problems, but this suggestion does not stand up to examination. If labour is not the villain, then it should be obvious that prices are being raised arbitrarily to increase company profits. I am sure we do not have to look very far to find what is going on.

If profits are a sacred cow to the minister, his department and the government, then that explains why the government does not act. More than anything else, the word "profits" is the root of the entire economic ills of the country. Now, Mr. Chairman, I should point out that no one in this party has ever said that an investor is not entitled to a fair return. It has been suggested that we would like to go after corporations and cut out their profits completely. This is completely false. Anybody making that suggestion is putting out a red herring. If this department were to have responsibility for the three areas of prices, wages and profits, then I would have more respect for it.

• (11:20 p.m.)

Many cases come to mind of individuals who have written to us and told us about conditions. I imagine every member of this house has been in this same position. We have the situation in the maritimes; we have seen the situation out west and everywhere else. I am sure similar conditions exist in all these areas. If one looks, I am sure one will find them, but if one chooses to hide his head and tell the people to write to box 99, he will not find these conditions. If we are not prepared to do something about this, then we will have to continue with the profiteering racket we have in this country. We know that in a short period more than 200 Canadian corporations have been found guilty of price fixing, some of them two and three times. That is quite a record in respect of the corporations of this country. The average fine for price fixing in fact amounts to one tenth of one per cent of the firm's annual profit. Such fines are little more than a licence to steal. I am sure the minister is concerned about this, and therefore he will realize that if we are prepared to allow these robbers to steal the consumers blind we can sit here forever and a day discussing this bill.

I should like the minister to stand up and say he agrees there are three areas in so far as the consumers are concerned. I ask the minister to try to initiate some pricing examination in the supermarkets which we have today. If he or the officials of the department would do this, I am sure they would receive many more letters addressed to box 99. So long as the people themselves have to write individual letters, and do not know what happens in respect of convictions, we will accomplish very little.

In closing, may I say that I give the minister credit for trying to have a people-oriented program by means of box 99. I am sure it may be small consolation to him, after what I have said, that I mean what I say in this regard. If he himself will initiate an examination of this nature, I am sure the people will follow along. If the government is not prepared to lead the way in an examination of consumer prices, then the government can expect very little support from the people of this nation.

Mr. Thomson: Mr. Chairman, I do not know whether it is the minister's misfortune to be in charge of this department at a time when everything is going up or whether, as some people might suggest, that since he is in charge of consumer affairs he is responsible for things going up. I would like to take the kinder view and assume he is just unfortunate that this happens to be an awkward time. I think the responsibility in respect of this type of thing is more than just doing

something wrong; I think it is in not doing the right thing to change the situation. I believe this is where we might be critical of the minister. Since the problem is here, and since he has this department, I think it only reasonable to assume that he should have some responsibility to see that prices are maintained at a reasonable level. It would seem that often his job as minister of consumer affairs has only involved explaining why prices have gone up. I am not prepared to accept this. I believe he should be prepared to take some action to restrain prices and help the people meet the increased cost of living. I think he should get in motion.

I should like to mention a couple of items which I think are responsible for part of the increase in the cost of living. Not too long ago in the province of Saskatchewan, the Liberal government of that province instituted a prices commission headed by Mrs. Batten. She suggested that the stores there were overbuilt and that they actually outran the needs of the people. I would think that the minister perhaps would look into a situation like this and consider the recommendations made by Mrs. Batten. This might be part of the reason prices have gone up.

At the present time the Alberta legislature is looking into the problems of service station operators in that province. These operators are being squeezed. In this case, while the service station operator puts his effort into tne running of the station, the public does not benefit too much. It is oil companies which benefit. I wonder whether perhaps the minister would look into the problem of improper pressure being put on small individuals by large companies.

I suggest that part of our service economy is overcapitalized. I wonder whether there could be some encouragement given or some restraint offered in respect of some sections of our industry so that the needs of the public will not be abused. I do not think this is an ureasonable request.

We educate our people to a great degree so that they can go out, earn money and become princes of industry. One area which I believe we have neglected, however, is the area in respect of budgeting for families. I should like to see some education offered to housewives or family people in the field of budgeting and buying efficiency so that they would be better able to meet the changing conditions. I think this is one area at which the minister might well take a serious look.

[Mr. Thomson.]

There is one last matter I should like to mention. I had a letter from the owner of a bake shop in my riding. This gentleman produces a very good local product. He suggested that the problem in his case was different. He stated that the large bread companies were offering bread in this area at a rate with which he could not compete. If in the long term this situation should continue I believe there might be a reasonable argument that this is a service to the people. But what has happened in some cases in this type of thing is that the price cuts in respect of bread are maintained only so long as the small business remains in operation. Once this business has been eliminated, prices return to a more normal level. I think this is another area in which the department might become interested. I believe in efficiency. I would like to see prices cut in order to help those who have a problem because of the cost of living. But let me suggest there are many situations in this regard which are not desirable. I have referred this particular case to the minister, and I hope he will look into it seriously.

I am not too sure just to what degree it is necessary to have proof with regard to these situations. These things are a bit on the vague side. Is it necessary to show that somebody deliberately cut prices, that there was an actual combine, or is this little business just to go out of operation because some large company wants to see it go? This is a problem for the minister. I am not sure I have the solution, but I hope that he will take a serious look at it. It is in effect a restraint in trade.

Mr. Harding: Mr. Chairman, I shall not take up too much time on this bill, but I have been waiting for this section to come along so that I might say a few words about it. Of all the departments in government, this is one of the most important.

• (11:30 p.m.)

I think this is one facet of government where something could and should be done to control the sharp increases in living costs which are bedevilling the Canadian people, particularly those on fixed incomes. For quite a long period of time we have heard a great deal about the sharp increases in the cost of living. We have heard various political parties and individuals talk about solutions to these problems. Yet as time goes on we find that the problem, instead of getting better is actually getting worse.

I would like to indicate to hon. members my feelings about consumer price trends. Other hon. members have spoken about a number of aspects of this department, and I think this is one of the most important. It is a continuing fact. As time goes on, people realize that sharp increases are taking place in living costs, but from month to month I believe individuals do not actually realize the loss in the value of the dollar as far as purchasing power is concerned. A year can quite easily slip by without people generally realizing just how hard they have been hit.

From December, 1967, to December, 1968, the consumer price index in Canada rose by 4.1 per cent. In the preceding five-year period it advanced 17.7 per cent in total. This represents a drop of about 15.1 cents in the purchasing power of the consumer dollar since 1964. To put it a little more simply, a dollar today is worth about 84.9 cents in terms of a dollar's purchasing power just five years ago. I believe this fact should concern the House of Commons and the people of Canada.

Another very upsetting aspect of the consumer price trend is the fact that the 4.1 per cent increase in 1968 was the largest rate of increase in any year since 1951. We find that in a span of 18 years, 1968 had the largest increase in the consumer price index of this country. This means but one thing, namely, that this government has been unable to check the rapidly rising cost of living by the methods it is currently using. This is a clear indication that other methods should be employed.

I would like to put on the record a few more facts about the percentage increase in the consumer price index. To realize the seriousness of the problem one has only to go back to one of the most recent publications dealing with the period to the end of 1968. When one considers these figures you have the up-to-date facts. In the last five-year period, we find that the average increase was 3.3 per cent. As I mentioned a few moments ago, the increase in 1968 was 4.1 per cent.

Back in 1964 it started out at 1.9 per cent, and every year since 1964 there has been an escalating rise in the cost of living index. In 1964, it was 1.9 per cent; in 1965 the increase was 2.9 per cent; in 1966 it went up to 3.6 per cent; in 1967, it was 4 per cent; and in 1968, it was 4.1 per cent.

Members of the house are aware of the components that make up the cost of living index. I do not have to go into them all. There are some very general categories. We have food, housing, clothing, transportation, health and personal care, recreation and reading, tobacco and alcohol, and so on. Every one of these, almost without exception, shows the same steady climb. Some are, I think, a little more disturbing than others. We find that we talk in this house about regional disparities. When we look at the eastern side of Canada one thing that strikes me in these statistics is the fact that last year the greatest percentage increase in regional cities consumer price indices was to be found in St. John's where the figure was 4.8 per cent. This is an area which is generally classed as one which needs assistance because of regional disparity. The city with the lowest increase is the city of Vancouver, where we find the increase last year amounted to some 3.1 per cent. This is an area where there are some substantial gains so far as labour unions and other groups are concerned. This is of interest. The areas that can least afford these sharp increases are the ones that seem to be hit the hardest.

Let us consider housing for a moment. We find that so far as housing is concerned, again the average for a three year period is 3.3 per cent, but in 1968 we find that it was 4.8 per cent, the biggest increase of any year over the past five years. We are desperately in need of housing units and yet we find that for those who wish to own their own homes the cost has risen by 8.1 per cent in 1968 alone and rents have risen by an average of 4.3 per cent. This is why members of the house are extremely concerned about these sharp increases. We ask the minister: What is he going to do about it? We are now at the start of a new year and when we look into the business sections of our newspapers we find that building costs have gone up and the cost of lumber has gone right out of sight. This will add to the over-all cost of construction.

• (11:40 p.m.)

Bill after bill regarding interest rates has gone through the house but the ceiling on interest rates has been taken off, and again they are rising. Every time a percentage point or a fraction of a percentage point is added to interest rates, up and up go housing costs. Unless some checks are put in effect by this house we shall find that 1969 is a worse year than 1968 has been as far as escalating costs are concerned. I do not need to say very much more; I have picked out two or three fields; they are all the same. But here is the question: who is caught in the squeeze? It is the Canadian people who are harmed most of

all, especially that large group of people who live on pensions, including those who retired years ago on an income which in terms of purchasing power at that time was adequate. Today, they find themselves in trouble.

This is the field in which action must be taken by the government. Surely, we can sit down collectively in the House of Commons and contrive measures which could halt the slow but steady erosion of the purchasing power of the dollar. Some of the necessary decisions will be unpopular, and it is quite obvious they will be out of line with present government thinking.

We have talked for years about establishing a prices review board. What is wrong with setting up a prices review board? Everyone knows there are a number of factors in this over-all picture. One of my hon. friends has just spoken about spiralling profits. These are a fact. I am convinced that a prices review board would go a long way toward keeping prices down. Price increases should be justified. What is wrong with setting up a board and telling any corporation: You must justify your proposals for price increases. Until this government and the members of this house are prepared to take steps such as those needed to constitute a prices review board I am convinced we shall see a steady increase in the cost of living, and the purchasing power of the dollar crumbling away. This will give rise to a host of other problems. The need to increase basic old age pensions is evident to everyone who can read. It is heartbreaking to see old age pensioners obliged to reduce their standard of living month by month while a bunch of politicians sit here in Ottawa afraid to tackle the basic problems facing this country. This is what worries me as a newcomer to this house.

I believe the minister is trying to do a good job and already some measure of success has been apparent in the operation of certain branches of the department. But if he really wishes to succeed he will have to be a pioneer in his party, and to be a pioneer in the Liberal party one does not have to be very radical. A great deal of ground has to be covered. I suggest the hon. gentleman should look into some of the ways and means by which the spiralling cost of living can be checked. If the minister does this he will make a name for himself in the Department. At the same time, he will earn the gratitude of consumers throughout the nation and do a real service to those on fixed incomes, people completely at the mercy of an inflation that has apparently got out of hand and which to date has not been remedied by the government.

[Mr. Harding.]

Mr. Peters: Mr. Chairman, we have heard about Box 99 tonight and I should like to know whether it has been used to any extent. I understand from my colleague from Vancouver-Kingsway that Box 99 has had some publicity. If we have done nothing else tonight, we have publicized Box 99 and it is likely that the minister will receive further letters.

In this regard, I recall questions I asked the minister during the daily question period, to which he replied that if members are not satisfied about some of the highly priced commodities they should use the procedure whereby five members make a complaint and an investigation is initiated. Members may find Box 99 a good place to make a complaint, because I presume that they will receive an answer of some kind in due course.

A number of suggestions have been made this evening, and we appreciate the government's making this time available to members. However, there are two or three fields the minister has not touched on and one of them is bankruptcy. I have been told by somebody who knows that the bankruptcy legislation is being abused more than any other legislation, and this abuse has had a great effect upon the cost of certain commodities.

I would also ask the minister to consider another matter about which he spoke some time ago, though I have not heard about it recently. I refer to the involvement of young hockey players in contract negotiations. If I remember rightly, when the minister was a private member he raised this important subject on several occasions, and I think it is a matter that bears investigation.

In northern Quebec and northern Ontario there are many local hockey clubs, particularly in relatively small communities, some of which are developing professional potential. But if these young players are put under contract at the age of 12, they may find themselves legally committed for the rest of their hockey career. I suggest this is wrong.

I am sure anybody interested in the development of hockey players will agree with what the minister said previously, namely that an investigation into this particular field would do much for the sport, particularly in areas like Noranda, Quebec, Kirkland Lake, Timmins and other communities in northern

Ontario. The minister has heard of many problems tonight. In this connection, I think we ought to ask the Economic Council to study the matter of advertising. Sometimes consumers must pay unreasonable prices for products because companies selling those products use gimmicks in their selling techniques and other companies in the same field must follow suit. Grocery stores in my area advertise trips to Hawaii. One television program promised a trip to Las Vegas, with spending money for gambling. Gimmicks like this must increase the cost of goods and the minister ought to investigate them.

• (11:50 p.m.)

We all appreciate that the minister has listened attentively to us. We also wish to thank the government for having given us this opportunity to make these remarks.

Clause agreed to.

On clause 53—*Council established*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I welcome the inclusion of this clause in the bill. I wish to make one or two comments on it and I hope the minister will reply. I notice that, in the main, this clause reconstitutes the National Council of Welfare. It makes a few changes that perhaps are not too important or significant but they should be noted. Instead of the council consisting of the Deputy Minister of Welfare here in Ottawa, the deputy ministers of welfare in the provinces and a number of other people, the council is to consist of 21 members, none of whom is identified in the legislation. I will be glad to hear the minister's comment on this. I notice also that there is provision for members of the council to be paid remuneration and reasonable travelling expenses, something that did not obtain previously. But a couple of things that obtained in the former arrangement still hold. The one that bothers me most is that it is still provided that the National Council of Welfare may consider only those matters referred to it by the minister. In the wording of the legislation there has been a change from "Governor in Council" to "minister", which is not too significant. But the other point still stands, namely, that the council can consider only those matters that are referred to it by the minister. It seems to me, if this National Council of Welfare is to do a real job, give good, solid advice to the minister and be the means of our making progress in this field, that the people appointed to it should have the opportunity to put items on the agenda that they think are important and give their advice to the minister on those items. In my view this council ought to have prestige equal to that of the Economic Council of Canada and I hope the minister will agree to make some changes that will give this council more authority and more prestige than it has at present. I wanted to raise one or two other matters, but I see the minister is anxious to answer the questions I have put to him and I will be glad if he does so.

Mr. Munro: Mr. Chairman, I would answer the hon. member as follows. The 20 council members would be from various labour groups and social organizations concerned about these problems, to many of which the hon. member has referred. The reason for providing for pay is that by this means we shall obtain the services of people working in the social welfare area who otherwise, because of insufficient income, could not afford to come to Ottawa and assist us in this kind of work. That is why we have provided for remuneration. I think we are being a little more democratic by providing for this payment.

The other question of more substance was this: The hon. member indicated that council members could only consider matters I referred to them. I have an amendment that would change clause 7c so that it would read "refer to the Council for its consideration or the Council considers appropriate." In other words, I refer matters to them for their consideration or they can consider other matters they would feel appropriate and render advice in that regard. I have the amendment ready and I could proceed wth the clause and get it to a vote tonight. I move:

That Bill C-173 be amended by striking out lines 16 and 17 on page 21 thereof and substituting the following: "refer to the Council for its consideration or the Council considers appropriate."

Mr. Knowles (Winnipeg North Centre): Maybe we should sit this late at night more often, Mr. Chairman. It is not often that five minutes before quitting time one finds a suggestion met so readily. This makes a real improvement in the structure of the Council if, as I understand it, it makes it possible for the members of the council to put on their agenda matters they themselves think are appropriate. I welcome this amendment and I am going to agree to it quite readily.

I wonder however if something similar should not be done to subclause (2) of that clause which at the moment reads:

The national Council of Welfare shall meet at such times and places as the Minister may direct.

There is not much point to the council having authority to make up its own agenda unless it can meet when it wants. Limiting the meetings of the council to those times and places decided by the minister is a bit unnecessary. I feel it would be consistent with the amendment the minister moved to modify the other part of it at least to that extent.

The Deputy Chairman: Order. Pursuant to special order of the house, shall I rise and report progress and request leave to sit again at the next sitting of the house?

Mr. Macdonald (Rosedale): If we could continue a few minutes, Mr. Chairman, there is the prospect of getting these two parts through.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

The Deputy Chairman: Shall the amendment carry?

Amendment (Mr. Munro) agreed to.

The Deputy Chairman: Shall clause 53 as amended carry?

Clause 53 (as amended) agreed to.

The Deputy Chairman: Shall clause 54 carry?

Mr. Peters: Twelve o'clock, Mr. Chairman.

The Deputy Chairman: Shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

• (12 midnight)

Progress reported.

The Acting Speaker (Mr. Béchard): It being after ten o'clock this house stands adjourned until eleven o'clock.

Mr. Bell: Today.

The Acting Speaker (Mr. Béchard): Today.

At 12.03 a.m. the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Friday, March 14, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Eleventh report of the Standing Committee on Finance, Trade and Economic Affairs, in French and English—Mr. Gaston Clermont (Gatineau).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

GRAIN

INTERNATIONAL GRAINS ARRANGEMENT—DISCUSSIONS TO STABILIZE PRICING AND MARKETING

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the International Grains Arrangement entered into force on July 1, 1968 at a time when international prices were under some pressure. It was recognized at the outset that it would take some time and a considerable measure of restraint to achieve effective operation of the price provisions of the arrangement. Progress was made in this direction, encouraged by frequent meetings both among exporters and within the International Wheat Council. Canada has consistently observed the minimum prices established for Canadian grades of wheat.

In recent weeks there has been a significant deterioration in prices for high quality wheats traded in European markets. In some instances and for certain grades and classes these prices have been substantially below established I.G.A. minimums, and a significant volume of business has been done by our competitors.

I went to Washington on March 11 and met with senior officials of the department of state and with the Secretary of Agriculture to see if a greater degree of co-operation in pricing matters could not be achieved. The results of these talks hold some promise for the future, but in the present competitive situation amongst exporters it is not likely that immediate restoration of price levels can be achieved. In view of this the Canadian Wheat Board has come to the conclusion that it must meet the competition in the marketplace.

A meeting of the Prices Review Committee of the International Wheat Council is taking place next week and an early meeting of exporters has been called to determine actions necessary to restore price stability in keeping with obligations assumed under the arrangement. Canada will exert every effort to improve the degree of international co-operation with respect to prices through the I.G.A. and in discussion with other exporters. It should be noted that the I.G.A. itself provides procedures for temporary adjustments of minimum prices, since relationships between type and qualities of wheat fluctuate with competitive circumstances.

International co-operation in wheat marketing remains a cardinal principle of Canadian policy and while remaining competitive every effort will be made by Canada in consultation with other exporting and with importing countries to improve and strengthen co-operation with respect to prices and the operation of the I.G.A.

Mr. George Muir (Lisgar): While we welcome the announcement that the Canadian Wheat Board intends to remain competitive with other world grain exporters and that efforts will be made to stabilize prices, I should like to point out that in present circumstances large amounts of Canadian wheat are being sold at prices greatly below those paid by the Wheat Board. We hope this situation will not be allowed to get worse as a result of refusal by the government to accept some reduction at certain times in international prices. This applies not only to wheat prices but also to prices of coarse grain. We have lost several sales because we allowed our competitors to undercut us in this latter market. I hope that in the future there will be some degree of elasticity in pricing so that we may sell our grain and meet the competition from other exporters in the world.

• (11:10 a.m.)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I fear that the minister's statement is the forerunner of some very

bad news for the western wheat producers. I think this is the first step toward breaking the bad news that the price of wheat is going to be reduced.

The minister quite properly points out that for certain grades and classes of wheat the prices have been substantially below the I.G.A. minimum. He says that a significant volume of business has been done by our competitors. I would have hoped that the minister would have told the house who are the competitors who are breaking the agreement into which Canada, along with other exporting nations, entered.

It is a well known fact, of course, that the United States, during an interim period between the expiry of the International Wheat Agreement and the coming into effect of the International Grains Arrangement, was selling wheat some 18 cents a bushel below the minimum, despite the fact that we had the assurance of the former minister of trade and commerce that there was a verbal agreement that all parties concerned would adhere to the minimum set out in the proposed I.G.A. agreement.

I hope the minister will take an early opportunity to give the house some further information as to whether or not these competitors of ours who have been selling below the agreed minimum are members of the I.G.A. and, if so, who they are, or whether these sales have been made by exporting countries who are not members of the I.G.A. I cannot think of any outstanding exporters who are not members of the I.G.A.; therefore, I can only conclude that the I.G.A. agreement has been violated by members who have agreed to certain minima and who are now disregarding the agreement. I think this is a very sad affair and must cause the minister, and certainly the farmers of this country, a good deal of concern.

If the situation continues, I agree that the Canadian Wheat Board has no choice but to adjust its prices to meet world competition. But this will mean disaster for the wheat producing industry of Canada. It will mean hardship for a great many farmers in western Canada. I hope that the meeting the minister has announced will be able to restore some price stability.

I am a little worried about the clause in the minister's statement which indicates that the I.G.A. has provided procedures for making temporary adjustments to minimum prices. Unfortunately, these temporary adjustments tend to become permanent. If we are to have a permanent price decline for the balance of the term of this agreement, then this will work great hardship on our wheat producers, and of course on the Canadian economy generally.

I am sure that members of the house in all parts of the chamber will wish the minister well in the meeting that is proposed. I am taking it for granted that the minister will press for an adherence to the minima provided by the I.G.A. agreement, rather than for any temporary reduction in price, if this can possibly be avoided.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I well understand the disappointment of the Minister of Industry, Trade and Commerce (Mr. Pepin) with regard to the international grains market, and especially the wheat market. However, I commend him for keeping the house informed on those problems, and for the efforts which have been made in conjunction with the United States authorities with a view to finding favourable solutions.

Nevertheless, I hope that western grain producers will not be too seriously affected financially by those market difficulties. That shows that even when our production capacities are large enough to help supply food to the whole world, there are problems due to competition between men.

I hope the minister will continue his efforts with the co-operation of the Canadian Wheat Board and all those interested in the matter so that happy solutions will be found and that the western wheat producers will not be affected too severely by the consequences of this competition on the international market.

INDIAN AFFAIRS

TABLING OF PART II OF HAWTHORN—TREMBLAY REPORT

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is now my pleasure to table the French and English versions of part II of the Hawthorn report. At the same time, I am tabling the French version of part I of this report, as the English version was tabled in the house on March 10, 1967.

For the information of the house, I wish to indicate that I have ordered that copies of this report be made available to all Indian band councils, all Indian associations, to all provincial premiers as well as to the commissioners for the Territories and to members of their office or council. Of course all hon. members will get a copy today.

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO PERMIT ARMED FORCES VOTE IN BY-ELECTIONS

Mr. Leonard Hopkins (Renfrew North) moved for leave to introduce Bill No. C-181, to amend the Canada Elections Act (Canadian forces voting).

Some hon. Members: Explain.

Mr. Hopkins: Mr. Speaker, the purpose of this bill is to give members of Canada's armed forces a vote in federal by-elections. Military personnel declare their places of natural residence for purposes of general elections and should be permitted to vote in by-elections, when one occurs in the place they have declared as their place of natural residence. There is no provision in the Canada Elections Act giving the right of Canadian Armed Forces personnel to vote in such by-elections. This is a denial of a basic right in a free society and I recommend this bill to the house to correct this situation.

Motion agreed to, bill read the first time and ordered to be printed.

ORAL QUESTION PERIOD

GRAIN

WHEAT—DIPLOMATIC ACTIVITY TO PREVENT DETERIORATION IN INTERNATIONAL MARKET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. In view of his announcement, which struck me as a disaster of the first magnitude for this country in that there is a deterioration in our international wheat market, will he give us further information, which I think is owing to the house and country, as to why he believes there is no hope for an early correction in the situation. I ask the minister what countries are causing the difficulty? The implication to be taken from the statement is that possibly the United States is one of those countries. As a result of visiting there, has the minister formed that opinion? May I also ask what other countries which participated in any international wheat agreement are undercutting Canada? What countries are creating the difficulty?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have reason to believe that all countries that are exporting members of the I.G.A., and some exporters not members of the I.G.A., are somehow violating the schedule of pricing of the International Grains Arrangement at this time. The Leader of the Opposition will recognize it might not be conducive to success in the next step, that is, in trying to get support of these countries in an effort to return to normalcy, to point fingers and to be acrimonious on the subject.

I said that we are aligning ourselves to the existing situation. We have already started a strong diplomatic move. One of the purposes for my visit to Washington was to convince the U.S.A. that this is not in the interests of exporters, that it is not in the long term interests of importers, to break the international arrangement and that we should return as rapidly as possible to the pricing schedule of the I.G.A. We are already moving in that direction. I have already referred in my statement to a meeting of the price review committee and to a meeting of the exporters. This will be an opportunity to make our case as strongly as possible.

Following my meeting in Washington, I feel the situation is understood in the United States in the same way as we understand it ourselves and that they will co-operate in a return to normalcy.

Mr. Stanfield: A supplementary question, Mr. Speaker. The minister has indicated a meeting is arranged for next week. Nevertheless the minister feels Canada must now reduce its prices below the minimum provided in the agreement. Does he not realize that the only prospect he is holding out for the Canadian people at the moment is one of continued deterioration? Can the minister indicate to the house why he feels it is necessary for Canada to take this step now, when a meeting has been arranged for next week, and why he believes there is early prospect of success? Does the minister have no real hope that this meeting next week will result in a correction of the present situation?

Mr. Speaker: Order, please.

Mr. Stanfield: On a point of order. I make no apology—

Mr. Speaker: I was just going to suggest that in my view the hon. gentleman's supplementary question is perhaps argumentative. However, I realize the matter is one of importance. Perhaps the minister might be allowed to reply.

Mr. Pepin: I think the leader of the New Democratic party was correct when he said, we have no other choice. Unless we are willing to lose sales, we must be competitive. This is what the Wheat Board is now doing. By doing so, we hope to bring to the attention of other exporters of the I.G.A. that we too can be competitive. We hope this will help them to realize what could happen if everybody decided to break the international agreement. It was a very difficult decision to make and I hope the Leader of the Opposition will be understanding on this subject. On balance, we felt it was the right decision to make.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I wish to direct a supplementary question to the minister. In order to restore some confidence in western Canada, would the minister consider making a statement to the effect that the price for wheat on the home market will not be lowered.

Mr. Speaker: The hon. member is asking a question in which he suggests his own answer. The question, asked in those terms, is not in order.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have to preface my supplementary question. I have some knowledge of this problem because we had it when we were in office, and we spoke up to the United States and they were willing to act on a similar problem.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. The preface having been stated perhaps the right hon. member might go to the question.

Mr. Diefenbaker: Mr. Speaker, I wanted to give the basis of experience and try to assist the government.

An hon. Member: Oh.

Mr. Diefenbaker: That is a voice without sense, wherever it came from.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I ask the minister this: In view of the fact that it is a Republican administration in the United States and that the present President was vice-president during the days of the Eisenhower administration, in which we were able to bring about agreement—

[Mr. Speaker.]

Mr. Speaker: Order, please. I suggest to the right hon. gentleman that perhaps this is a statement which he might have made on motions; but he is not asking his question.

Mr. Diefenbaker: Mr. Speaker, with deference, that is one of the things one cannot do because there is only one speaker from each group when replying to statements made on motions.

I ask the minister, were any protests made to the United States regarding give-away programs or grossly reduced price programs and, if so, when was the first objection taken? Secondly, is it or is it not a fact that outside of the I.G.A. the U.S.S.R. is now dumping wheat? Is there basis for that suggestion? After all, what we want to do, if we can, is to save western Canada from what apparently is another great retreat on the part of the government.

Mr. Pepin: In reply to the first question, Mr. Speaker, my understanding of diplomacy may be a bit different from the right hon. member's interpretation of that art. It is easier to speak up to the United States when you sit over there, where the hon. member now is, than when you sit here.

Mr. Diefenbaker: We spoke and got results.

Mr. Pepin: I have always thought in diplomacy the result was the important thing, rather than the style.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Pepin: Now may I answer the question, Mr. Speaker? We have spoken to the United States on this subject—

Mr. Diefenbaker: When?

Mr. Pepin: When I went to Washington on the 11th.

Mr. Diefenbaker: And not before that?

Mr. Pepin: And I indicated in my progress report what we are doing now. With respect to the U.S.S.R. I am also informed that they are breaking the price schedule of the I.G.A., but not being a member of the I.G.A. I presume they can do that and feel better than a member of the I.G.A. should.

This is a very interesting and deplorable situation. One starts breaking the line a bit, then another one breaks it a little bit more, and a third one breaks it still a little more in order to stay competitive with the second—

Mr. Diefenbaker: And the Canadian farmer goes broke.

Mr. Pepin: And this is what we are trying to avoid.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister a supplementary question in respect of his statement. In it he said that the Canadian Wheat Board must be competitive in the marketplace. Is it the intention of the Canadian Wheat Board, before this meeting next week, to reduce its prices below the minimum stipulated in the International Grains Arrangement, or are the Canadian Wheat Board and the minister merely serving notice that they will do so if some agreement is not reached at this meeting of the exporting countries?

Mr. Pepin: Mr. Speaker, I thought the statement was very, very clear. The Wheat Board will be competitive. So if somebody else who is in competition with us breaks the line the Wheat Board, with regrets, will have to do the same. We deplore this, but we think on balance it is the right decision to make at this time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a further supplementary—

Mr. Speaker: Order, please. I must remind hon. members again that we are spending much time on this question. Perhaps we should not have too many supplementaries from individual members.

Mr. Douglas (Nanaimo-Cowichan-The Islands): This matter is of vital importance to the entire Canadian economy, particularly the western economy. I wish to clear up one point. When there are competitors who apparently are breaking the International Grains Arrangement, is it the intention of the Wheat Board now to reduce prices, or is the minister merely serving a warning that we will do so if this meeting next week is not successful in getting all exporters to return to the terms of the I.G.A.?

Mr. Pepin: Mr. Speaker, the Wheat Board will break the schedule of the agreement—not the agreement itself which remains valid—if it is necessary, in order to remain competitive.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I should like to ask whether the government or the Minister of Industry, Trade and Commerce would consider re-introducing floor prices for wheat, which were prevalent a few months ago.

Mr. Woolliams: That was when they had a Saskatchewan election.

Mr. Pepin: My understanding is that there is now a floor price for wheat, which is the initial payment being paid western farmers.

Mr. Diefenbaker: That is not a floor price.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the minister what form of protest has been made over the months by his government to the United States and, if there has been such, would he be prepared to table this in the house? Secondly, would he now re-implement the subsidy policy Bob Winters guaranteed in this House of Commons to the farmers?

Mr. Pepin: At the time of the Canberra meeting of exporters we made our case, but always trying to obtain co-operation and to demonstrate that a break would not be in the best interest of exporters and of importers, in the long term. With regard to the effect of the restoration of the so-called Winters temporary arrangement, the government is as much aware of the possible consequences of present events for western producers, as are members of the opposition; but we still hope we can bring up the price and will act in due course, depending on how the situation develops.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, the minister in his statement said that the condition may be a temporary one. In order to live up to the commitments to the western farmers that the price will be maintained, and in view of the apparent competition which is depressing prices, would the government immediately consider the implementation of a two-price system in respect of grain at this time?

Mr. Pepin: A debate on the two-price system would take a bit more time than we have now.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I have a related question. I should like to ask the Minister of Industry, Trade and Commerce whether he has made any representations to the Canadian Wheat Board relative to the complaints from western Canada that the Wheat Board is enforcing the quota system in recent weeks in a way that is mean, nasty and petty, by prosecuting for overdeliveries of 20 or 30 bushels.

Mr. Pepin: The last part of the quotation is "brutish and short". The answer is that representations of this kind are brought to the attention of the Wheat Board regularly by my department. I will inquire further.

Inquiries of the Ministry

[*Translation*]

IMMIGRATION

ASSISTANCE TO FRENCH SPEAKING WORKERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration. Due to his absence, I will direct it to the Prime Minister.

In view of the subsidies now being paid to immigrant workers in Quebec and Montreal to learn English, can French Canadian workers expect to be granted the same advantages soon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows, or should know, that the minister concerned is not scheduled to be here today for the question period. He will be in the house next Monday.

[*English*]

FISHERIES

SEALS—NEW YORK SHOWING OF FILM DEPICTING KILLING METHODS

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Secretary of State for External Affairs my question is directed to the Prime Minister. Did a demonstration take place outside our consulate office in New York City yesterday as a result of the televising in that city of the film produced by the C.B.C. showing the seal hunt in the Gulf of St. Lawrence? If so, would the minister tell the house what steps he is taking to have the film withdrawn from circulation, in view of the serious damage it is doing to Canada's reputation abroad?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the minister might wish to consider a question if one were asked of him on Monday. The department will be answering questions on Monday.

TRANSPORT

EXTENSION OF L.C.L. RATE FREEZE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. With regard to the representations concerning transport made by the Atlantic premiers, and in particular the recommendation that the freeze be extended, may I ask the minister whether he can give an affirmative answer now that this freeze will be extended, and could he tell us how he plans to bring it before the house.

[Mr. Pepin.]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I hope to be in a position to make an announcement very shortly. In the meantime I should like to seek either directly or through the house leaders the co-operation of hon. gentlemen opposite in determining the best means of dealing with this matter in an expeditious manner.

Mr. Bell: Mr. Speaker, I am sure we would be glad to co-operate. Is this definite word from the minister, so that the shippers will know an extension will be brought in and that the method will be determined later?

Mr. Hellyer: I can assure my hon. friend that we are quite cognizant of the desirability of having continuity in these matters and not having any undue disruption. We will want to make the necessary arrangement before the freeze expires on the 23rd; but I should like to reserve the definitive statement requested by the hon. member until perhaps some time next week. In the meantime there might be a discussion with the various house leaders concerning how this might be handled.

INQUIRY OF THE MINISTRY

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Minister of Finance whether he is aware of a new inflationary trend in this country in which branches of the Royal Bank of Canada, the Imperial Bank of Commerce and the Toronto-Dominion Bank are issuing cards which enable the holder to drink on credit, without opening bank accounts.

Mr. Speaker: Order, please.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have heard that terrible things like this go on in the National Press Club.

IMMIGRATION

RECIPROCAL ADMISSION ARRANGEMENT WITH UNITED STATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I had intended addressing this question to the Minister of Manpower and Immigration, but since it is so important today, in view of the statement that has been made, I shall direct it to the Prime Minister. In view of the fact that United States interests control much of our industry in Canada, and since United States citizens can come into Canada with ease under our immigration laws, and since Canadians are now on a quota, would the Prime Minister on behalf of his government protest to the United States

so that Canadians might have the same courtesy extended to them in the United States by those same companies.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see why the question could not be asked of the minister on his day in the house.

Mr. Woolliams: The question I am putting to the Prime Minister is not in respect of the facts: We know the facts. As the head of the government would he protest to the United States authorities in this regard, as he is being asked to do by Canadians.

EXTERNAL AFFAIRS

BIAFRA—CEASE-FIRE PROPOSAL AS PRELUDE TO NEGOTIATIONS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, this question is for the Prime Minister. First I should like to point out I was surprised that the minister—

Mr. Speaker: Order, please. If the hon. member has a question to ask he should ask it.

Mr. Broadbent: In view of Prime Minister Wilson's decision to go to Nigeria, and in view of the increasing number of bombing attacks upon civilian centres as reported in Tuesday's Toronto *Telegram*, would the Prime Minister now consider urging the federal government of Nigeria to accept Biafra's proposal for a cease-fire as a prelude to negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, last week we asked our high commissioner in Lagos to return to Canada. He is consulting and meeting these days with officials, and with the Secretary of State for External Affairs, regarding this whole problem.

[*Later:*]

Mr. Broadbent: My question is for the Prime Minister and is supplementary to one I asked earlier. Would he or the Secretary of State for External Affairs consider reporting back to the house on Monday or Tuesday of next week on the discussions that are taking place now within the External Affairs Department on the Nigerian situation?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to consider it.

Inquiries of the Ministry

POLLUTION

PLACING OF RESPONSIBILITY UNDER ONE MINISTRY

Mr. Keith Hymmen (Kitchener): Mr. Speaker, I should like to ask the Prime Minister this question. In view of the great deal of interest shown in the government reorganization bill now before the house, will he and his cabinet colleagues consider another important and perhaps overdue change by placing whatever federal constitutional responsibility there is in the field of water and air pollution under the control of one department and or one minister?

Mr. Speaker: The hon. member must realize that the legislation to which he has referred is before the house at the present time. That is perhaps the time when these representations should be made.

EXTERNAL AFFAIRS

DISCUSSIONS WITH SOVIET AMBASSADOR RESPECTING TENSION IN EASTERN EUROPE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in light of the growing tension in eastern Europe and the possible threat to peace in that region, and having in mind particularly the military manoeuvres planned by the Soviet Union and Warsaw pact nations, has the government expressed its concern and anxiety to the Soviet Union and, if not, will it do so; and did the Prime Minister discuss this with the Soviet ambassador with whom he had an interview last week?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the matters involved in my discussion with the ambassador are privileged. Apart from indicating that the subject in general was China I prefer not to elaborate further. As to the other part of the question, I am sure the minister would be delighted to provide an answer, if the hon. member is in the house to ask the question on Monday.

WATER RESOURCES

MACNAQUAC, N.B.—POLLUTION DAMAGE TO SALMON CULTURE STATION

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I have a question for the Minister of Fisheries and I regret that I was unable to give him notice. Perhaps his parliamentary secretary will take note of my question since the minister is not here. Will the

minister investigate the alleged damage to the $3½ million federal salmon culture station on the St. John river at Macnaquac which has been caused by excessive pollution of the river?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the minister is already investigating this matter and we hope soon to have a satisfactory report.

HEALTH AND WELFARE

MEDICARE—DISCUSSIONS WITH CANADIAN MEDICAL ASSOCIATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, is it the intention of the Prime Minister to accept the request of the Canadian Medical Association first made on January 3 for a meeting between representatives of that body, the Prime Minister and senior members of his cabinet to discuss the question of medical insurance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the C.M.A. has already had three meetings with ministers of this government to discuss this very issue. They asked to meet me on a date during which the federal-provincial conference was held, and naturally I could not see them then. I am now considering whether I can meet them on some other occasion.

Mr. Hees: Mr. Speaker, will the Prime Minister meet with this body, which is still anxious to meet with him and senior members of his cabinet, and will he see that the Minister of National Health and Welfare is present at the time, so that he can perhaps persuade these representatives that he is not irresponsible as was quoted yesterday by—

Mr. Speaker: Order, please.

CANADIAN BROADCASTING CORPORATION

ARTEC—HIRING OF STRIKE BREAKERS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in view of the fact that the C.B.C. has indicated it may hire a goodly number of Office Overload personnel to perform the functions of ARTEC personnel if they withhold their services, will the Prime Minister use his office to intercede in the hiring of such strike breakers and scabs if the C.B.C. insists on using such tactics?

Mr. Speaker: Order, please.

[Mr. Flemming.]

Mr. Skoberg: I rise on a point of order.

Mr. Speaker: Order, please. If I interpret the hon. member's question correctly, he has made representations.

[*Translation*]

LABOUR RELATIONS

MATAGAMI MINING COMPANY—DISAGREEMENT WITH EMPLOYEES

Mr. René Matte (Champlain): Mr. Speaker, I should like to ask a question of the Prime Minister.

Has the federal government been asked to intervene in the dispute between the management of the mining company at Matagami and its main French Canadian employees?

[*Later:*]

Mr. Matte: Mr. Speaker, I am sure you will allow me to press the matter as I have received more than my share of silent answers since September.

Once more I would like to ask the Prime Minister whether he is aware of the conflict which exists at present between the mining company in Matagami and its French Canadian employees?

Mr. Speaker: Order. I do not think this question can be accepted. The hon. member is asking the Prime Minister whether he is aware of a situation which, I think, is not his direct administrative responsibility and therefore the question is not in order.

Mr. Matte: Mr. Speaker—

Mr. Speaker: Is the hon. member raising a point of order?

Mr. Matte: I believe it is embodied in the principle of the Confederation, where—

Mr. Speaker: Order. Would the hon. member allow me to suggest that his question as put is contrary to the rules. He is simply asking whether the minister is aware of certain circumstances or facts, so that, to my mind, the question is out of order.

[*English*]

AGRICULTURE

PRESENTATION OF BRIEF BY FEDERATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the right hon. Prime Minister if he can advise the house as to whether he has yet been able to accede to a long standing request of the Canadian Federation of Agriculture for an opportunity for

that important body to meet, as has been its custom, with members of the cabinet to discuss important public issues?

Right Hon. P. E. Trudeau (Prime Minister): I know that this question is being reviewed, Mr. Speaker.

TRANSPORT

BOTWOOD, NFLD.—SERVICE BY CLARKE STEAMSHIP LIMITED

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the Minister of Transport whether he can give positive assurance that we will have government involvement in Clarke Steamship Limited continued in connection with the port of Botwood, Newfoundland so that the shipping service to that area will continue?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, as a result of representations by the Premier of Newfoundland this question is under review. As soon as I have some information in this respect I will be glad to give it to the house and the hon. gentleman.

Mr. Lundrigan: Mr. Speaker, I should like to ask the Minister of Defence Production whether he also will discuss this matter with the appropriate minister, so as to have full representations, and in view of some public statements he has made?

SPORTS

HOCKEY—CRUSHING VICTORY BY HOUSE OF COMMONS "LASALLES"

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, in a much lighter vein I should like to ask the President of the Privy Council to report to the house on the last Olympic success of his hockey team, and also to report on the contribution made by the Progressive Conservatives to the hockey game?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am glad to have an opportunity to report to the house that the House of Commons LaSalles have continued their winning streak in defeating C.K.C.H. Two goals were scored by the hon. member for Joliette (Mr. La Salle), one was scored by a former member for Hull, Mr. Pierre Caron, and one goal was scored by the Minister for Indian Affairs and Northern Development (Mr. Chrétien).

As chairman of the special committee selecting the three stars following these games I beg leave of the house to present to the house our first report. The first star goes to the hon. member for Joliette, after whom the team has been renamed. The second star is awarded to the goaltender, the hon. member for Laval (Mr. Roy), for his distinctive service in goal in spite of the weak defence he had in front of him. The third star is awarded to the Minister of Labour, (Mr. Mackasey), who demonstrated the same gentle and bruising style along the blue line that he shows at the negotiating table. Perhaps I may be allowed to indicate that a special word should be said for the elegant bon vivant and raconteur coach, the hon. member for Chambly (Mr. Pilon), who gave leadership to the team.

As a final announcement, I have been negotiating with the Ontario legislature at Queen's Park, as part of a continuing program of federal-provincial relations, for a contest which will probably take place this spring, since it looks as though Maple Leaf Gardens will not be in use during the N.H.L. playoffs.

Mr. Speaker: The three minute announcement by the minister will perhaps necessitate an overtime period after one o'clock.

AIR CANADA

PROTECTION OF WORKERS FOLLOWING SALE OF WINNIPEG MAINTENANCE BASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of Transport whether the Air Canada maintenance and overhaul base at Winnipeg has been sold and, if so, can he say whether there has been an agreement to protect the jobs of the workers, and the conditions attached to those jobs.

Hon. Paul Hellyer (Minister of Transport): As of now, Mr. Speaker, no final decision has been taken. Negotiations are proceeding but there are a few matters yet to be settled. At the latest reporting, which I think was only yesterday, the matter was not yet finalized.

Mr. Knowles (Winnipeg North Centre): Is the government pursuing the matter of obtaining an appropriate agreement to protect the rights of the workers?

Mr. Hellyer: This was one of the conditions which were set at the time the government authorized Air Canada to negotiate the sale of the base. I am sure it will be taken into account in these negotiations.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

HEARINGS BEFORE PUBLIC SERVICE STAFF RELATIONS BOARD

Mr. C. Terrence Murphy (Sault Ste. Marie): I would like to direct a question to the President of the Treasury Board. In view of the fact that all of the striking postal workers have now returned to work, is it the intention of the government to proceed with the hearings before the Public Service Staff Relations Board?

Hon. C. M. Drury (President of the Treasury Board): No, Mr. Speaker. In view of the fact that all of the postal workers have now returned to work, that the grievances are being processed before an adjudicator through the regular grievance procedure channels and, in the words of the Postmaster General, a general air of serenity prevails, the applications are being withdrawn.

GRAIN

WHEAT—LOSS OF CONTRACTS THROUGH PRICE WAR

Mr. Don Mazankowski (Vegreville): I would like to address a question to the Minister of Industry, Trade and Commerce with regard to the announcement he made earlier. Would the minister inform the house what large contracts have been lost by Canada as the result of the international wheat price war?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it has been the practice of every government not to discuss sales and prices in the House of Commons.

Mr. Mazankowski: I have a supplementary question, Mr. Speaker. Would the minister inform the house as to whether or not he feels the meeting he is attending next week will do anything to restore the markets which we have lost?

Mr. Speaker: Order, please. The hon. member is asking the minister to express an opinion. Therefore, the question is not in order.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my supplementary question is addressed to the Minister of Industry, Trade and Commerce and is in regard to the statement he made this morning concerning the sale of wheat. I should like to ask him whether the announcement he made is an extension of the new grain policy of the government as enunciated by the Prime Minister in Winnipeg a short time ago, when he said: "Let the farmers sell their own wheat".

FINANCE

BRINCO—BENEFIT TO U.S. THROUGH GOVERNMENT INCENTIVES

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Finance which arises out of recent information and reports from United States sources. Would the minister undertake an immediate investigation and report to the house regarding financial incentives that have been given to Brinco, in particular the question of a potential $65 million benefit to the United States government as a result of Canadian government financial incentives?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would like to take the question as notice.

YUKON QUARTZ MINING ACT

REQUEST FOR INTRODUCTION OF AMENDING BILL

Mr. Erik Nielsen (Yukon): May I direct a question to the Minister of Indian Affairs and Northern Development. Since the legislation has been ready for many months now, will the minister cause the Yukon mineral act to be introduced at the earliest possible moment so members can study it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the bill is not entirely ready yet; some basic policies still have to be determined and as soon as the cabinet has made a decision, I shall be pleased to introduce the bill in the house.

[*English*]

Mr. Nielsen: I have a supplementary question, Mr. Speaker. Can the minister assure the house that when that bill is introduced it will be referred to the Standing Committee on Indian Affairs and Northern Development for our consideration?

[*Translation*]

Mr. Chrétien: Mr. Speaker, at the present time I see no objection to referring the bill to the committee for study.

[*English*]

HEALTH AND WELFARE

MEDICARE—ESTIMATED COST OF PROGRAM

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Minister of Finance. In view of the projected cost of medicare in Manitoba for the coming year of $55 million, or about $1,100 million if all Canadians were included, is this estimate in line with the estimates of his department?

Mr. Speaker: Order, please. I suggest to the hon. member that his question should be placed on the order paper.

AIRPORTS

WINNIPEG—POLICY RESPECTING LANDING RIGHTS

Mr. Ed Schreyer (Selkirk): My question is directed to the Minister of Transport. According to the minister's news release of yesterday, the government of Canada is anxious to open bilateral negotiations with foreign countries relative to landing rights at Toronto. Is the government of Canada at the present time conducting any bilateral negotiations with respect to landing rights at the Winnipeg international airport?

Mr. Speaker: The question is very general in nature. I suggest to the hon. member it should be placed on the order paper.

GRAIN

WHEAT BOARD POLICY IN MEETING COMPETITIVE PRICES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like a clarification from the Minister of Industry, Trade and Commerce. When he speaks about meeting the price of competitors in connection with the sale of wheat, does he mean that it would be the policy of the Canadian Wheat Board to meet the prices of all competitors, or simply the prices of the competitors who are members of the International Grains Arrangement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I would think that when we meet the prices of members of the International Grains Arrangement we would at the same time meet the price of non-members. I really do not understand the nuance in the hon. member's question. Perhaps he could explain to me what the nuance is.

Mr. Stanfield: There is no nuance in it, Mr. Speaker. I want to know whether it is the intention of the Wheat Board to meet all competition, even the competition of countries outside the International Grains Arrangement, or whether it is the intention of the Wheat Board simply to meet all competition from countries which are members of the International Grains Arrangement.

Mr. Pepin: The phrase I used was "to meet the competition wherever it comes". My understanding is that the non-members have said that they would accept lower prices if members of the I.G.A. were doing so. I do not know exactly how these things operate in the marketplace, but these countries have invoked the fact that exporting members of the I.G.A. were underselling in order to justify their own low prices. However we would have to talk about what is really important in these matters, and the hon. member and I might have a private chat on this after the question period.

WHEAT—POSSIBLE CHANGE IN U.S.S.R. CONTRACT PRICE

Mr. S. J. Korchinski (Mackenzie): I should like to ask the Minister of Industry, Trade and Commerce whether the recent price arrangements will have any effect on the price that the U.S.S.R. will have to pay for grain under its present contract with the Wheat Board?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It might.

CONSUMER AFFAIRS

LUMBER—INQUIRY AS TO TASK FORCE FINDING

Mr. P. M. Mahoney (Calgary South): I have a question for the Minister of Transport with respect to the increases in lumber prices in the past year. Would the minister indicate whether or not the task force study conducted under this chairmanship indicated that this was primarily a regional problem, or is it a national problem?

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

FISHERIES

SEALS—DISTRIBUTION OF FILM DEPICTING KILLING METHODS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the parliamentary secretary to the Secretary of State.

Inquiries of the Ministry

Would he undertake an investigation by his department into how the film produced for the C.B.C. on the seal hunt in the gulf received such wide distribution in the United States and in western Europe?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): I will be glad to make inquiries about such a film. Of course I think hon. members always appreciate it when the C.B.C. can earn revenue by exporting films.

Mr. Bell: How about the film "Mr. Pearson"?

[*Later:*]

Hon. W. G. Dinsdale (Brandon-Souris): My question is supplementary to the one asked by the hon. member for St. John's East, and I direct it to the parliamentary secretary to the Secretary of State. Would he, when he brings this matter to the attention of the minister, discuss with him the possibility of referring the whole subject to the Standing Committee on Broadcasting, Films and the Arts so that witnesses may be called and examined?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, the departmental day in the house is Monday, and I am sure the minister or I will be here to deal with any such questions.

[*Translation*]

NATIONAL REVENUE

METEGHAN RIVER, N.S.—CLOSING OF CUSTOMS OFFICE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to direct a question to the Minister of National Revenue, but in his absence I shall put it to his Parliamentary Secretary.

In reply to a question I put on the order paper the minister replied last February 19 that an inquiry would be made regarding the closing of some Customs offices, especially the one in Meteghan River in Nova Scotia. Since many fishermen are concerned, I should like to ask the minister if he can inform us as to whether that office or others will have to be closed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Right now, Mr. Speaker, I am replacing the Minister of National Revenue to whom I shall be glad to pass on the hon. member's representations.

[Mr. McGrath.]

[*English*]

LABOUR RELATIONS

WINNIPEG—DENIAL OF INCREASE IN SALARIES OF AIR TRAFFIC CONTROL ASSISTANTS

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of Transport. Is it the intention of the government of Canada to continue to deny any increase in salary and any cost of living adjustment to air traffic controllers' assistants employed at the Winnipeg international airport?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, an anomaly arises in this connection as a result of a decision by the bureau of classifications. This is a matter of real concern to me and to the department. We are in the process of negotiating to determine some method by which a proper adjustment can be made to redress the anomaly which has been created.

INDIAN AFFAIRS

DISCUSSION WITH PREMIER BEFORE ESTABLISHING NEW PROVINCIAL DEPARTMENT

Mr. Rod Thomson (Battleford-Kindersley): I wish to direct this question, Mr. Speaker, to the Minister of Indian Affairs and Northern Development. Did the government of Saskatchewan consult the hon. gentleman before setting up its own department of Indian and Métis affairs?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there was no official communication between the government of the province of Saskatchewan and my department, but I had the opportunity, ten days ago, of discussing this project during a conversation with Premier Thatcher.

[*English*]

FLOODS

RED RIVER—MEASURES TO EXPEDITE GRAIN DELIVERY

Mr. George Muir (Lisgar): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact the United States weather bureau has recently predicted that the expected flood crest on the Red River in Manitoba will equal the disastrous 1950 flood level, will the minister give immediate consideration to taking emergency measures to deal with the urgent problem of grain deliveries in the area?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will certainly consult with the Minister of Energy, Mines and Resources on that subject. To continue the private discussion we were having, the Leader of the Opposition and myself—

Mr. Speaker: Order. I suggest that the discussion might be continued in private.

GOVERNMENT ORDERS

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND CANADIAN FORCES, DEFENCE SERVICES, R.C.M.P. AND PUBLIC SERVICE SUPERANNUATION PROVISIONS

Hon. C. M. Drury (President of the Treasury Board) moved that Bill C-178, to amend the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act and the Public Service Superannuation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in view of the opportunity hon. members have had to study this bill since it was given first reading a week ago, there is not a great deal which I feel I need say by way of general explanation at this time. Full opportunity will be provided for a more detailed explanation when the bill is being reviewed by the committee to which it is intended that it should be referred.

While this is a bill of 51 clauses, amending five acts, hon. members will have noted that the majority of them deal with administrative matters, the removal of anomalies or inconsistencies in the provisions of the acts, and amendments which are consequential upon other legislation which has been enacted since these statutes were last before the house. There are some changes in the benefits, coupled with provision for increases in certain contribution rates under the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act. Advance notice of these increases was given three or four months ago when the Minister of National Defence (Mr. Cadieux) and the Solicitor General (Mr. McIlraith) announced the latest general pay increases for the Canadian Forces and the Royal Canadian Mounted Police.

The contribution rates have remained fixed under these two pension plans since 1946 and 1949, respectively, despite the various benefit improvements which have been made from time to time. During the same period, the contribution rates for certain male civil servants were increased in 1954, and for all of them in 1960, when substantial improvements were made in the Public Service Superannuation Act. Since 1960, the 6 per cent contribution rate for male civil servants has been higher than that for male members of the Canadian Forces and of the Royal Canadian Mounted Police, despite the fact that the latter two groups have the more expensive plan, largely because of the lower retirement age at which they can retire on an immediate full pension. Sixty is the lowest age at which a civil servant can retire on full, immediate pension for a reason other than disability.

The present contribution rates are: 6½ per cent for males and 5 per cent for females under the Public Service Superannuation Act, 6 per cent for both sexes under the Canadian Forces Superannuation Act, and 6 per cent for males and 5 per cent for females under the Royal Canadian Mounted Police Superannuation Act. In each case these contribution rates represent the combined total for those acts and the Canada Pension Plan or the Quebec Pension Plan as a result of the integration of contributions brought about by the amendments co-ordinating these acts with the Canada Pension Plan in 1966.

Subsequent to those last amendments, the Minister of Finance (Mr. Benson) has tabled reports on the actuarial valuation of the superannuation accounts maintained under the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act. Each of these reports showed the need for an increase in the current rate of contributions. This need arose in part from the amendments which were made in these acts in 1966, including the co-ordination of each of these acts with the Canada Pension Plan.

A combination of this reason, the improvements in benefits proposed in this bill and the lack of any justification for the use of a lower rate of contribution than that under the Public Service Superannuation Act, led the government to couple these proposed increases in the rate of contribution with the last general pay increases for both forces when they were approved. On the other hand, it is proposed to reduce the rate for female members of the Canadian Forces to the 5 per

cent payable by female contributors under the other two acts. These contribution changes would take effect on April 1 next.

As far as benefits are concerned, the most significant changes are proposed under the Canadian Forces Superannuation Act where a substantially new benefit approach is contained in the Bill before the house. Under this provision, a contributor with between 10 and 20 years of service would now have a vested right to a deferred full annuity as well as a discretionary one to an immediate partial annuity in the case of retirement to promote economy or efficiency. As the details of these changes are somewhat complicated, I would prefer to leave any explanation of them until the bill is before the committee.

Amendments are proposed in each of the three superannuation acts which would continue the payment of children's benefits until attainment of the age of 25 if the children are continuing their education on a basis similar to that provided under the Canada Pension Plan.

There are also minor amendments in all five acts to protect the pension position of a remarried widow of a former contributor when a subsequent marriage terminates in annulment or divorce. Formerly, payment of her pension, which was suspended on remarriage in the usual way, could only be resumed on the death of her next husband.

The last amendment which I should mention this morning has to do with the management of the three superannuation accounts which will remain the responsibility of the Minister of Finance in accordance with the government organization bill.

The present accounting provisions were introduced into these statutes in June of 1965 and slightly amended the following year to reflect the recommendations contained in the report of the Glassco commission. After examining the management of these accounts, the commission reported as follows:

> The amounts in these superannuation accounts are not held in cash or invested in securities. Nor should they be, considering that it is the government which is assuming the obligation to pay these pensions. The government utilizes all the moneys for general government purposes, crediting the accounts with interest quarterly for the use of the funds. Normally, the government's contributions, as set forth above, are recorded as budgetary expenditures, but certain deficits, arising out of actuarial valuations in recent years, have been recorded as a deferred charge to be applied against the budgetary revenues of future years.

[Mr. Drury.]

• (12:10 p.m.)

The related recommendation of the commission reads as follows:

> We therefore recommend that a program be authorized by statute to amortize systematically present and future valuation deficits of statutory pension plans by appropriate budgetary charges.

Parliament approved the government's proposals to adopt these recommendations in the statutory amendments of 1965 and 1966. As a result, the government is required to credit to the superannuation accounts in each fiscal year an amount equal to the deficiences which arise from pay increases authorized in that year or are reported in any actuarial valuation report which is laid before parliament in that year. These credits, which are initially made in the form of so-called deferred charges, have to be amortized by budgetary payments in five equal annual instalments commencing in the year in which the deferred charge is credited. These instalments are expected to cost the government in excess of $200 million in this fiscal year.

The government has always recognized that these deficiences, deferred charge credits and resulting budgetary amortization payments would have been substantially smaller if interest had been credited to the account at a higher rate than the 4 per cent which has been payable, at first monthly and more recently quarterly, since the oldest of these accounts came into existence in 1924. Over those years the yield on long-term government bonds has been above, below and now again above this long-term rate of 4 per cent. As answers to parliamentary questions have indicated, up until quite recently the net over-all effect would not have been greatly different had a rate which followed the long-term bond rate been used.

It is not so many years since the government was criticized for crediting interest at a rate which was far too high and thereby being too generous to its employees in comparison with others. Now, of course, the criticism is from the other direction. While it can be shown that the use of an interest rate based on that approved by parliament for the Canada Pension Plan, for example, would not have been sufficient to do away completely with the need for these special contributions, the government recognizes that the validity of the criticism of the 4 per cent rate is realistic at the present time.

The proposed amendments to the accounts sections of the three superannuation acts accordingly contemplate an increase in the

interest rate but provide that these higher interest credits are to be applied against the deficiency payments. This is the procedure which would be followed in the operation of a private pension fund which was required to make good deficiencies over a limited period of years under the relevant federal or provincial legislation requiring the solvency of pension funds. While this would substantially reduce, it would not eliminate the special contributions under present conditions.

Here I should point out that these special contributions by the government are in excess of the regular matching contributions for current service which the government has made under the Public Service Superannuation Act and the corresponding regular current contributions under the other two acts. These regular current contributions under the Canadian Forces Superannuation Act and Royal Canadian Mounted Police Superannuation Act have to be even higher than under the Public Service Superannuation Act because of the higher pension cost due to lower retirement ages under those acts. These regular contributions were 10 per cent of pay or one and two-thirds times those of the members of those forces for many years. Accordingly, hon. members will appreciate that, when faced with the need to increase these regular contributions because of benefit improvements over the years, the government felt that the increase required in the current rate of contributions should be shared by the members of those forces, as proposed earlier.

Thus an increase in the interest rate is not expected to create any surplus which would permit a reduction in current contributions or an improvement in benefits. The special contributions which otherwise would have been made will simply be reduced by the amount of the additional interest under present conditions. Nor will it produce a surplus from which an increase in pensions could be paid to those already retired. It will be contended that the government should dip into these funds, pay an increase in pensions nevertheless and leave to the future the question of repaying the new deficit that this would create. But if it did so the statute would require the government to make good this deficiency by budgetary charges, so that this provides no easy way out for the government under the present budgetary position.

Moreover, the government does not propose to abandon the statutory approach recommended by the Glassco commission and brought into force less than four years ago whereby the costs of pensions being earned each year are disclosed to the public and met by the government on a basis which does not leave huge hidden deficits for future taxpayers to meet. The federal and provincial statutes dealing with solvency of private pension funds require certain funding procedures which the government feels it should follow as well.

This brings me to a subject which, as some hon. members have noted, is not included in this bill, namely, amendments to the Public Service Pension Adjustment Act.

Shortly after assuming office, the Prime Minister (Mr. Trudeau) stated in response to inquiries that he had arranged for a thorough review of the costs and benefits involved in our social security system in order to have a basis for a reappraisal of the government's policy in this area to ensure that the best use is made of social security payments of all kinds, taking into account the needs of individuals and the economic costs and consequences to the country as a whole. He went on to say that this report would take into account the question of the difficulties now being experienced by those living on pension. The specific question of increasing the pensions of retired public servants was included in this general review to which the Prime Minister referred. The report on this aspect of the review has now been received and is being studied by the government relation to all the other aspects of this broad question. I regret to say that it has not been possible for the government to reach a decision at this time which would permit the inclusion of amendments to the Public Service Pension Adjustment Act in this bill. However, I can assure hon. members that this is continuing to receive active study by the government.

I commend this bill to the house for second reading and referral to committee.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my observations will not be long at this stage of the bill. Obviously, as the minister has said, the bill is one of some considerable complexity and lends itself to more careful and detailed study in the standing committee. I think it is fortunate for us in this house and for the country generally that over the last few years there have been a number of hon. members who, through the medium of committees and their attention to pensions issues of this kind in the public service, have developed a knowledge of the subject and its details that will be most useful when the committee deals with the bill. For that reason I for one am most anxious that

the bill receive second reading as soon as possible so it can then be sent to the committee. While I think there may be one or two speakers from this party, our observations will in any event not be long and we will certainly not delay second reading of the bill.

As a preliminary observation may I say I am a little puzzled as to why this bill is being sent to the Standing Committee on Finance, Trade and Economic Affairs. It seems to me there are other committees more particularly suited to deal with this matter. I think the subject matter of the bill is more relevant to the consideration of other committees. In addition, the Committee on Finance, Trade and Economic Affairs has a tremendous amount of work before it and it will have other responsibilities. This bill is long and complicated.

While it is true that under our present system we can exchange personnel to man committees with other people in addition to the regular members, I would have thought it much more advisable to send the bill to a different committee. I sometimes wonder what is the rationale here. What started out as a very excellent idea to break the work of the house down into committees is in fact itself breaking down, and our committee system is not working as it should. For this I must place a lot of the blame on the government.

I shall make one or two observations about the bill, mainly in the hope that the matters I bring up will be considered in the committee. The bill calls for an increase in the contributions of contributors to various pension and superannuation schemes. One thing we will be interested in knowing, and I do not think the minister covered it, is whether there are to be increases in payments from the various pension funds. These have been provided for in the past, and from all indications the funds very greatly exceed the day to day or year to year requirements.

• (12:20 p.m.)

In speaking of the provisions with respect to the Canadian Forces Superannuation Act it seems to me that here there is a breach of a very solemn undertaking. We become accustomed to breaches of undertaking by this government and to classifying them. A solemn undertaking was given by the former minister of national defence. He said that no serviceman would suffer by reason of voluntary withdrawal following unification. Yet we find that most restrictive interpretations have been imposed on voluntary withdrawals with a view to discouraging expressions of disapproval of unification by servicemen. Certainly servicemen in many cases have been made prisoners of their pension scheme. The committee could look into this matter and no doubt evidence will be available. What has happened, it seems to me, constitutes a breach of the very solemn undertaking previously given.

I ask the government whether it will not consider R.C.M.P. pensions with respect to those members of the force who retired prior to 1958. So far as I can see the bill brings in no change in this regard. There is a tremendous disparity in present pay scales and scales of superannuation pay between officers and men who have served their full careers in the force. Their pensions are based on pay scales far removed from those applicable today. Tied to the steadily increasing inflation and the effect that has on the limited pensions which these people are receiving, this can only be regarded by hon. members with apprehension and concern.

The same thing applies to public servants who retired prior to 1958. A completely unrealistic comparison has been made, notwithstanding the repeated representations made by hon. members over the years. I pay tribute to hon. members who have done so. Some of them are still here and can speak for themselves. I would not like this occasion to pass without paying tribute to the former member for Carleton, Hon. R. A. Bell, who no longer is a member of the house. Throughout his period in the house he continued making representations with respect to this matter. Other hon. members interested in the subject are still here and I am sure that to them the provisions of the bill constitute a real measure of inequity. No doubt they will deal with that both here and in committee.

I hope the committee will look into the effect of the inauguration of immediate annuities versus deferred annuities as applied previously. This matter is referred to in clause 5 of the proposed bill. We approve the incorporation of active service into regular service in connection with these proposals. This has long been a sore point and we heartily approve of the change. We also approve of clause 35 which gives retired R.C.M.P. personnel the right to treatment allowances similar to those given to disabled veterans.

I thought of dealing with a number of other matters but will not since the bill is to be dealt with in committee. We propose to approve it now on the understanding that we

are not approving all aspects of the bill. We are sending it to committee and when it comes back it will be dealt with further.

I end by saying that I regret very much the remarks of the minister to the effect that although the government has possession of the report on increasing the pensions of retired public servants it has not been able to incorporate any proposals or recommendations arising out of it in this bill. The tragedy of inadequate pensions has been with some of our retired civil servants for a great number of years. No target date has been established for implementing the recommendations of the report. This session is to last only two and a half months longer after Easter and, according to the legislative diet the house leader has indicated the government wishes to process, the house will be too busy to deal with the proposals of the report. I am beginning to despair that despite all our good intentions—and we know what the road to hell is paved with—this session will end without anything having been done in this field. No particular legislative proposals will have been brought forward, and it is a matter of great regret to me and other hon. members that this is the case.

That is all I have to say. I hope the bill will pass rapidly through the present stage so that it may receive in committee the attention it deserves and come back to be considered further here.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for the most part the provisions of this bill are good and we welcome them. They will have our support. I think most hon. members who are here could guess my next sentence. The disappointing part about this bill—

Mr. Cadieux (Labelle): Is what is not in it.

Mr. Knowles (Winnipeg North Centre): —is what is not in it. You guessed it.

Mr. Cadieux (Labelle): I quoted you before you said it.

Mr. Knowles (Winnipeg North Centre): I suppose I should be consoled by the fact that the President of the Treasury Board has had this matter on his conscience.

Mr. Baldwin: What!

Mr. Knowles (Winnipeg North Centre): He took a moment or two to admit that there is legislation such as the Public Service Pension Adjustment Act. He admitted that the bill amends five statutes but not that one. He also admitted that the matter of increasing the pensions of civil servants already retired is under serious, active and, I think, intensive consideration.

An hon. Member: For how long has that been going on?

Mr. Knowles (Winnipeg North Centre): To my knowledge it has been under consideration for over 20 years, nearly 25. I hope we can persuade the government this afternoon to make a break-through, get over the hump and deal with this matter.

Fridays have the advantage that attendance in the house is something less than 100 per cent. Proceedings quieten down and become serene. Although some of our beloved colleagues may not be here, I notice with interest the presence of the hon. member for Ottawa West (Mr. Francis), the hon. member for Grenville-Carleton (Mr. Blair) and the hon. member for Windsor West (Mr. Gray). The hon. member for Ottawa East (Mr. Richard) told me he had a luncheon engagement but would be here this afternoon. I suspect others may join us.

I think I can speak for all the Liberals I have referred to as well as for my Conservative friends interested in this matter and my colleagues to our left when I say that one thing we will not do this afternoon is fight with each other. We are here with a common purpose and interest and we want to get action on this important matter. I believe other speeches will be forthcoming and I hope the result will be a break-through statement from the President of the Treasury Board. I hope he will get to the point of telling his cabinet colleagues that the time to act on this matter is now.

Mr. Drury: I am bleeding already.

Mr. Knowles (Winnipeg North Centre): The President of the Treasury Board says he is bleeding already. Well, we are making progress.

As I said, a number of provisions in the bill are good and we welcome them. Perhaps I might make it clear that I did not use those words just to say something nice. I like the provision that will make it possible for a widow of a retired civil servant who has married again and had her pension suspended to have that pension reinstated if her second husband runs out on her. As the law now stands, the pension of a widow of a retired civil servant is suspended when she marries a

second time. If the husband dies she gets it back. If her second husband does not die but there is a divorce, annulment or departure on the part of the husband, she is left without any pension. It is good that we are to have something done about widows caught in that situation. There are not many like that, I believe, but it is good that we are doing something for those who are so caught.

• (12:30 p.m.)

But what about thousands of widows who do not marry again? Widows of retired civil servants receive pensions which are only 50 per cent of what their husbands' pensions were. Widows of members of parliament get 60 per cent. This is an element of discrimination which I do not think should persist. As a matter of fact, the percentage should be even higher. Something should certainly be done for a widow in the first year after her husband's death when she is trying to maintain the kind of life which they had. At any rate, an improvement is being made and we welcome it.

I notice that the bill provides for the right of a widow on remarriage to commute any value that she is entitled to into a lump sum payment. I think that is good.

I like the provision in the bill that will extend to children of deceased civil servants a pension benefit if those children continue in school or university up to the age of 25. That also is good. This is, of course, another charge on the fund. We are told time and time again the fund cannot afford these extra charges that we propose, but the government does find a few additional charges which it can make on the fund and still carry on. I know there is a difference of degree as well as of kind, but I am looking for some kindness. The minister realizes there are some things which need to be dealt with. I think there are a lot more and I shall come to them in a few minutes.

It is also good that the bill seeks to clarify some ambiguities that existed in relating pensions under these acts to the Canada Pension Plan or the Quebec Pension Plan. For the most part, these are technicalities that the bill clears up. There has also been a distinction made between pensions drawn under the Canada Pension Plan or the Quebec Pension Plan on the basis of retirement and pensions on the basis of a disability. These amendments are all good and we welcome them.

The proposal to have pensions render the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act on the same basis as pensions under the Public Service Superannuation Act is a desirable step.

There is one rather major change that is being made by the bill. I have no objection to it, but I think it keeps alive the mythology about pensions that some day we shall have to explode. I refer to the playing around with the fund and the accounting methods. This is not a very professional term to describe what the minister outlined this morning, namely, that provision is being made for a possible increase in the rate of interest to be applied to these funds. The minister did not leave any chance for people to think that this money might be used to pay increased benefits. The minister said precisely that it would not be used for that purpose. He said that in making provision for a higher rate of interest the government is taking the right to cut down the amount of the special contributions that are added from time to time to keep the fund actuarially in balance.

This is understandable, Mr. Speaker, to anyone who studies this whole subject, but I am sure the minister will not be surprised if some retired civil servants get the notion and even make the charge that the government has done this as a sort of trick, that the government is making provision for the rate of interest to be increased just to show retired civil servants that this is not a way to get increased pension benefits for them. The minister looks at me with a "you know better" expression, but he will have a hard job explaining this to many people. Many people feel that if the government would add one percentage point to the rate of interest, this would provide a sum of money out of which increased benefits could be paid.

A mythology has developed about these pension funds that is highly fictional. We seem to have developed the notion that if money is put into a fund, somehow, with the interest that is added and so on, there will be money there to pay pensions at a later date which will not cost any one any money. People also have the notion they have a certain right to a pension that they have paid for themselves. The plain fact of the matter is that when people draw pensions they receive a portion of the goods and services being produced today. No matter how many complicated funds are developed, pensions are a pay as you go proposition. People who are retired today are not receiving money which is coming out of a fund. They are not living

on goods and services that have been stored. They are receiving money which represents a portion of the goods and services being produced today. In other words, people working today are providing the major part of today's pensions. What is the *quid pro quo* for the people who are working today? It is that life, society and the government go on and when today's workers retire, the workers of that time will contribute a portion of what they produce to provide a pension for those who are then retired. I am sure the minister agrees with this philosophical part of my remarks as to how pensions operate.

We are trying to kid the troops by having people put money into funds such as the public service superannuation fund and the old age security fund. We try to make people feel they are receiving pensions because they put the money in there, or we try to develop a scheme under which the government can say to people: You cannot get any more because there is not enough money in the fund. I am prepared to admit the logical sequence to this bit of philosophy in which I have been indulging, and it is this: If better pensions are to be paid to people on old age security, people retired from private industry or the civil service, there must be a deliberate decision by the people producing the wealth today that this is to be done.

When I ask the federal government to do something for retired civil servants I am asking for a deliberate decision by a society as affluent as ours. In our society we produce as much as we can and we are able to do this because of the people who preceded us, built up our society and are today retired. The people who are now retired do not receive a decent pension or have a decent standard of living. Retired people in their sixties or seventies should not have only enough to keep up with the cost of living but should be able to enjoy their retirement.

• (12:40 p.m.)

Because I hold these views about pension funds, I am not as excited about the clauses in this bill that dress up the accounting procedure. I know it will be neater as an accounting proposition to make sure that the fund is actuarially sound, that there is enough there to pay the pensions that have been built up, and so on. It will be nice to be able to say in accounting terms that we are not having to make as heavy charges against current revenues as we would if we were not paying this higher rate of interest, but it all adds up really to just a fine piece of bookkeeping that is far removed from the reality of the situation.

The reality of the situation is that there are retired people today who worked hard to build the country to what it is, whether they were in private industry or in government service. We are now thinking of those who were in government service, who worked hard to build the public service to what it is, to provide the support for the kind of things we try to do in government. Today they are retired and I am sure all those hon. members whose names I have mentioned, in fact all of us in this house, agree that these people ought to have a decent break in terms of pensions today that are not just tied to a fund, not just related to what they were earning 10, 20 or 30 years ago, but are related to what society is able to produce today.

I said initially that I thought there were a number of things in this bill that were good, and I have tried to back up that statement by pointing out those things that I do welcome wholeheartedly. I have spent a moment or two on the question of revamping the fund, not that I think there is anything wrong with it in accounting or bookkeeping terms but rather because I think it is misleading. It keeps alive the mythology that somehow or other these pensions are paid out of the fund.

I remember that some years ago—I think it was 1950—we were discussing in the old age security committee various ways of getting rid of the means test and improving old age pensions. At that time we had an interesting member from Saskatchewan by the name of Ferrie. He was a Liberal. He has passed on and so perhaps I can quote him. We were talking about ways and means of paying a good-sized old age security pension, which in those days meant $40 a month. Dr. George Davidson was the Deputy Minister of Welfare and was the chief witness before our committee. At one point when we got to a question period Mr. Ferrie had a bright idea. He asked, "Could we, by following the funding principle, get to the point where we have put enough money in and do not have to pay any more money in because the interest on the fund will pay the pensions for everyone?" Hon. members know Dr. Davidson. He answered in a very nice, academic way. I mention this incident because it is an illustration of the extreme notions that some people have about pension funds. Pensions are not paid out of anything that is stored up; they are paid out of current production.

The present Secretary of State for External Affairs (Mr. Sharp), when he was minister of finance, at one point when we were discussing funds said he agreed with me that we should get on to a pay as you go basis. This is, in fact, what we do. We talk about the public service superannuation fund. Fund? Is that money somewhere? Is it in the Bank of Montreal, in the Canadian Imperial Bank of Commerce, with some trust company, in the Bank of Canada, or anywhere else? No. That fund simply represents figures on the books of the government of Canada. Theoretically the money is there in the consolidated revenue fund, but it is there only in figures on the books.

When the 5 per cent or 6½ per cent is deducted from a civil servant's pay, does that mean that so many dollars are actually kept back from his or her pay and put into a fund somewhere? No. It simply means that he gets 93½ per cent of his pay and she gets 95 per cent of her pay and the rest is added to the books in so many figures. I do not quarrel with this procedure but I spell it out to make the point that pensions are a pay as you go proposition and that they represent deliberate choice, and I dare to believe that the other hon. members I have mentioned who will be taking part in this debate agree with me. We are not trying to inveigle the government to do something that is tricky, to play around with the fund. We are straightforwardly and honestly saying that in a society as affluent as ours is in 1969 we have a moral obligation to these people, who helped bring our society to where it is, to give them pension benefits that will enable them to live decent and dignified lives at the present time.

May I now make a point which I have tried to make a good many times, that in this campaign we are fighting a battle for everyone. Sometimes people will say, and in fact I have received letters asking, "What is all this concern about retired civil servants? What about the rest of the Canadian people?" I point out that we are fighting a battle for everyone. We are trying to get a principle established, to get it started. Perhaps I should not say that because others have done it. There are a number of governments that have brought in pension increase provisions, and there are a number of pension plans in private industry where, usually because of negotiations, there are escalator clauses for the pensions to go up. The auto workers have accomplished a number of these agreements. There is at least one life insurance company which has a pension plan for its employees that includes an escalator clauses. So it is not a brand new idea. But it is still in its infancy and it is terribly important that we get it started.

Let me talk about this thing in terms of three groups of people. I think we are concerned first of all and rightly so, and in human terms it is important that this is so, for the people who are now retired and who are having a tough time getting by. This applies certainly to those many people who are on lower pension benefits. The figures are on *Hansard*. I ask for them every year. I have asked for them so often now that I suppose a computer just turns them out, and if the computer is set up to turn them out next year I will ask the same questions again next year.

We are concerned about them, but it is becoming increasingly true that people in the middle and even in the upper brackets, up to the assistant deputy minister and deputy minister levels, who thought when they went out on pensions that the picture was not bad, are also affected. In the meantime, not only have living costs gone up but living standards have changed, and people who had certain professional connections and lived in a certain social milieu find it is not for them any more because the value of their pensions has decreased and they cannot live on their fixed incomes and keep up with the rising standards of living. What is wrong with the desire to do that? We do not expect workers to go 20 years without any increase in wages or salaries. Yet we say to retired civil servants who went out 20 years ago that, but for the small adjustment that some of them got in 1958, this is it; it is a contractual relationship and you are bound by it for life.

In my plea to the minister I am almost prepared to say that we cannot charge the government with breaking any contract so far as the pensions of its retired civil servants are concerned. Yes, the legalities have been maintained. But the government has broken faith. To me there is a difference and the latter is more important than the former. I think we have broken faith in that we have let these people who have retired get into a position where they have to try to get by on inadequate pensions.

I said I wanted to talk about this thing in terms of three groups of people. I am concerned first of all, and I think hon. members generally will join with me in this, about those who are now retired and, by the gods of war, Mr. Speaker, we should not let this

session go by without taking action for these people. We failed them in 1967 when a unanimous committee report was brought in by the hon. member for Ottawa East who was chairman of the special joint committee on pensions. In 1968 the story was the same. Now we are in 1969.

• (12:50 p.m.)

On January 8, 1969, the President of the Treasury Board met with the executive body of the Federal Superannuates National Association on this matter. He assured them there would be a study and he hoped there would be a report in three or four weeks, but two or three months have gone by since then and nothing has come of it. We should not let this question go by without dealing with the case of these people. I am making a plea not only for those who are now retired but also for those who are working in the public service today. These people may be able to compute what their pensions will be on the basis of 70 per cent of their best six years if they have the prospect of obtaining 35 years' service, and it will sound not bad. The day will come when these people will retire and at the point of retirement things may be all right for them. These people may retire at age 60 after 20 or 25 years' service. Because of longevity and other things they may live until age 85 or 90, but so far as the present arrangements are concerned there will be no increase in their pensions. I contend that we must build into the Public Service Superannuation Act and other pension plans a provision for automatic escalation.

I have pleaded and pleaded that we understand this problem. I did not get it into the head of the Acting Minister of Energy, Mines and Resources (Mr. Lang) the other night that we are not concerned only about escalation to meet the rising cost of living but also rising standards. I have a resolution on the order paper which is an attempt to cope with this matter. It provides that public service pensions should be recalculated every year so as to keep them in line with increases in wages and salaries and that, in fact, there should be a relationship between a retired civil servant's pension and the salary attached to the job he had at the time of retirement. This is difficult, new and revolutionary, but unless we do this kind of thing our whole pension program can fall apart and be meaningless, and people will have to fall back on welfare payments of one kind or another.

I have been talking about retired civil servants. I am now talking about those who are working and for whom I think there should be the protection of an escalation clause in the various acts. I am also concerned, however, about the broad sector of the Canadian people. One of the reasons I want the government to act is that I believe it is the government's job to give the lead. We must do the same thing in respect of the old age security pension; we must have an escalation clause tied in with salaries and wages. It is necessary that we give the lead to companies like Canadian National Railways, the Canadian Pacific Railway and other private companies in this country. As the minister knows, because I called it to his attention the other day, many people and bodies now realize that pensions must be on this kind of a basis. Publications like the *Financial Post* are concerned about this matter. It devoted a whole issue to the problem of keeping pensions in line not just with rising living costs but also with rising living standards.

Those of us who are taking part in this debate today are in effect pleading the case not just of those who are retired civil servants, not just those who are working in the public service and should have something better to look forward to when they retire, but the case of all the retired people of Canada and particularly the case of those who will become retired people. We all get there unless death intervenes. I make the point as strongly as I can that I believe the most important aspect of our pension problem is that we must bring this kind of escalation provision into effect. I appreciate the attention the President of the Treasury Board and his colleague the Minister of National Defence (Mr. Cadieux) are paying to my remarks. I think they agree with me. In fact I am sure they agree with me. I believe that even the Minister of Finance (Mr. Benson), hardhearted though he may be, agrees with me.

The problem is to get started. I am aware that private industry does not want to have to do this. I realize that private industry will be scandalized if the government makes a move like this. Its leaders will say that the government is putting them on the spot. But it is the government's job to give leadership in this field, and I urge as strongly as I can that this be done.

I recall my starting time and I believe I could take five minutes after the luncheon adjournment, but I think I can conclude my remarks now and give the next speaker an

opportunity to get ready to begin at two o'clock. I should like, however, to take a moment or two to make a few comments which might seem a bit more critical than those I have made up to this point. I have been both pleading and philosophical and have caused the minister's heart to bleed. But I must also say to the government that really the government's record in this matter is disgraceful. All these years—and I have been at it myself for 20 or 25 years—we have been told, as the minister said this morning, that the matter is under active consideration. These pensioners and their widows are dying off at the rate of 150 to 200 a month. I do not know how many have died hearing the last words of the government that an increase in their pensions is under active consideration. This is not good enough.

The whole matter came to a bit of a pitch back in 1966 and 1967 when we pleaded that it be referred to a special joint committee of the House of Commons and the Senate which met at that time under the chairmanship of the hon. member for Ottawa East. There is no doubt in my mind that when the government agreed to have the matter go before the committee it was with the understanding that if the committee came back with a recommendation there would be action on it. We came back with a recommendation. The present Solicitor General (Mr. McIlraith), who was house leader at that time, was most helpful on May 18, 1967, and arranged that we have a meeting of the committee that morning so that we could get our report in before prorogation and before the committee would die so that this matter could be dealt with. The report was brought in. I put most of it on the record in speech I made on November 18, 1968, and it is also contained in *Votes and Proceedings* for May 8, 1967.

Every member of that committee, especially the hon. member for Ottawa East, was of the belief that the step the government had taken carried with it the implication that action would be taken on the report. I am sure the hon. member for Ottawa East would confirm that. I am sure of it myself. In May and June, 1967, I think we were almost there. The then prime minister, Mr. Pearson, assured me several times, as did the present Minister of Finance, that it would be done before the end of June that year, 1967.

The Acting Speaker (Mr. Béchard): Order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I might have permission to continue I can finish in two minutes.

[Mr. Knowles (Winnipeg North Centre).]

The Acting Speaker (Mr. Béchard): Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): At that point action was just about achieved, and then somehow the government backed away. I do not know who was responsible. We had to go out of here on July 7, 1967, without it being acted on. We were told then that it would be done in the fall. It was not done then, it was not done in 1968, and here we are in 1969 and it is not being done now. I am sure the present minister is ashamed of this record.

I say, for heaven's sake let us have action on this matter at this session. I am sure my friend the hon. member for Windsor West, my friend the hon. member for Ottawa East, my friend the hon. member for Vancouver Quadra, my friend the hon. member for Grenville-Carleton, my friend the hon. member for Hull (Mr. Isabelle), my friend the hon. member for Halifax, my friend the hon. member for Peace River, my friend the hon. member for Saint John-Lancaster, and my own colleagues are behind this, as well as my friends from Brandon-Souris, South Western Nova and Pembina. Every member present seems to be on my side. Who isn't?

An hon. Member: Only the minister.

Mr. Clermont: Gatineau.

Mr. Knowles (Winnipeg North Centre): There you are, Mr. Speaker; there is not a member in this house who does not agree with the plea I have made this morning I hope the minister will act on it this session without fail.

The Acting Speaker (Mr. Béchard): Order. It being one o'clock I do now leave the chair to resume at two o'clock this afternoon.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, we are dealing with what I regard as an important proposal in this bill. I do not intend to comment on it in detail. It proposes improvements in various aspects of the superannuation schemes affecting public servants, members of the armed forces and

members of the Royal Canadian Mounted Police. Were I to speak on it in detail at this time I could add nothing really to the comments of the hon. member for Winnipeg North Centre (Mr. Knowles) who I am glad to note feels as I do, that this bill represents a significant improvement in all these pension and superannuation plans.

At the risk of perhaps putting myself out of order I should like to comment on the same matter of policy which has been dealt with by the hon. member for Winnipeg North Centre. I have in mind the fact that this bill makes no reference to the adjustment of existing pensions of superannuated civil servants and members of the armed forces. I cannot conceal my extreme disappointment that this is the case because this matter is one of long standing. For all practical purposes the starting point in our consideration of this matter should be the recommendations of the special joint committee of the Senate and the House which reported in May of 1967. The text of that committee's report is available to all hon. members and has been referred to in earlier debates in this session by myself and by other hon. members, so I do not think it is necessary to repeat any part of that report in detail or to read it in its verbatim form.

• (2:10 p.m.)

The problem that faces retired civil servants can be summed up best in two ways, I think. First of all, there is the basic problem of equity. People who worked a long time for the government of Canada and did so in the belief that upon their retirement they would be able to maintain a certain standard of life have been disappointed. The reasons for this disappointment include many factors, the chief of which is inflation. The value of the pensions which they thought they would be paid upon their retirement has progressively declined because of the devaluation of our currency by persistent and continuing inflation. I am not an economic expert but it seems to me that we must live with the prospect that there will not be a stabilization of the currency and that there will continue to be some degree of inflation in the future. So the first consideration with regard to the position of pensioners is for pensioners in general and the concern which we in parliament should have as the former employers of retired civil servants to ensure that they are fairly treated. Our concern should apply not only during their active years of service but in their years of retirement.

There is a second and, to my mind, even more important consideration which should govern the thinking of hon. members on this subject. There are a number of cases of real hardship among superannuated civil servants. I suppose it is impossible for any government or any parliament to so order its affairs that hardship will not exist in some cases. But we must look at broad categories and at the substantial numbers of people who now suffer hardship. I am sure that all hon. members know very well that in recent years there has been a substantial escalation in the salaries paid to civil servants. Hon. members will also know that pensions are computed on the basis of the salaries which civil servants earned at the time of their retirement. People who may have retired 15 or 20 years ago find that their pensions, which were scaled to the then existing salaries, are very much lower than the pensions of those holding comparable positions in the government who are retiring today. It is in this group that we find the greatest degree of hardship. Many of those people are quite elderly and are forced to subsist on what by any standards must be considered to be a disappointing, and, unhappily in some instances, an abysmally low pension.

Perhaps I have some advantage in speaking in this debate because I am a new member of a new parliament and a supporter of a new government. I do not believe that it is any part of my responsibility to defend actions which may have taken place in the past in parliament. Therefore I propose to make some comments about things which have happened in the past.

It seems to me quite clear that at present we are in a situation which has been brought about by the extravagance of governmental programs, both provincial and federal, and these programs are not only the results of the decisions of whatever governments may have been in power when they were instituted but the results of collective representations and expressions of views of politicians and members of this house in every party. I say quite categorically that everybody bears a major share of responsibility for the problems which are not the problems of the government alone but are in fact the problems of the people of Canada. It is my opinion that at every stage in this parliament we are faced with situations where hard choices have to be made. This is because we have gone almost beyond the outer limits of expenditure in relation to our revenues. Because of the collective result of these decisions of the past,

this government and this parliament have very little margin in which to manoeuvre and in which to deal with problems such as that of the retired civil servants.

To me the most heartening part of the address of the President of the Treasury Board (Mr. Drury) was his statement that the government was now considering this important matter in relation to all the other commitments which the government and this parliament have made to various classes of people in our society, be they old age pensioners or a recipient of any kind of pension, welfare payment and the like. One of the things which attracted me to the support of this government is my belief that it is capable of undertaking the necessary review of the commitments which this parliament and successive governments have made, and as a result of that review establishing policies and priorities for further expenditure which will have some relevance to the future and which will, I hope, contribute materially to the assistance of people who are in the position of retired civil servants.

It is also obvious to all hon. members, and I need hardly mention it, that a statement that this matter is receiving careful consideration is not really of any immediate assistance to the persons now receiving pensions and to people who are now enduring the hardships that I have described. Many of them at their age unhappily have not much longer to live. Apart from that, the people who are struggling and who may be ill find no solace in the suggestion that at some future date relief may be brought to them. Tremendous urgency attaches to the review which must precede the development of policy on this matter.

• (2:20 p.m.)

Notwithstanding all the claims which are made upon the public treasury, and many of them have great merit, special priority and significance should be attached to the position of the retired civil servants. This is because they have been our employees. Whatever may have been the position in the past I believe we in this country have arrived at the view that the obligation of employers to their employees does not cease completely when they retire. There are examples of large firms in industry which recognize a continuing obligation to increase periodically superannuation payments made to their former employees. This principle was recognized in the statute of 1959 and it was firmly endorsed by the report of the joint parliamentary committee in 1967. To my mind it is now beyond the realm of doubt and of dispute that an obligation of a special kind rests upon the government of Canada as a former employer of these superannuated pensioners to undertake periodic upward adjustment of their pensions in order to provide them with a decent and comfortable standard of life in their retirement.

There are many other things which might be said on this subject. The President of the Treasury Board re-emphasized that there is no magic way in which pensions paid to retired public servants can be increased without a charge on the treasury and ultimately on the taxpayers of Canada. The hon. member for Winnipeg North Centre, in the course of his interesting analysis of the way in which pensions are really paid—I am not saying whether I completely agree with his analysis—made it abundantly clear that ultimately the charge for the payment of pensions falls upon the producing elements of the nation. In the case of pensions paid to retired public servants, for example, this means that unhappily it falls upon the taxpayers. I think it is well for this point to be emphasized because we all live in a situation in which it is generally assumed that taxation has approached something like its ultimate limit, and we must recognize that when we say pensions of retired civil servants should be increased we are not only talking about payment of pensions but we are also talking about the imposition of taxes.

The hon. member for Winnipeg North Centre has indicated quite properly the great issues of policy which must be decided when this question of the pensions of retired civil servants is considered. He made it abundantly clear that this matter could not be considered in isolation. One group which he noted in this connection were those in receipt of old age pensions. This indicates to hon. members the magnitude of the collective decision which the government and this parliament utlimately may have to make in relation to any scheme or schemes for the upward adjustment of pensions and payments of this type.

I recognize fully the difficulty encountered by the government in reaching a decision on this very important matter. I applaud my hon. friends on the treasury benches for approaching it in a sensible, constructive and comprehensive way. Frankly, I do not think we could support an ad hoc approach to these and similar problems. Having said all this, I

urge the government to accelerate the study which is now in progress and to take into special consideration the position of its former employees, particularly those whom I regard as suffering a degree of hardship which is not consistent with our view of the way in which people in this society should live.

Mr. Mongrain: Would my hon. friend be in favour of some kind of escalator clause in pension legislation so that pensions would automatically follow the cost of living?

Mr. Blair: There is such a provision in the present old age scheme, Mr. Speaker. I am not an expert in this field, but I think such a provision might be the ultimate solution to the difficulty in which superannuated employees of the government of Canada find themselves.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a supplementary question? Does he not think it might be better still to have an escalator clause relating pensions to the rising wages and salaries of our people?

• (2:30 p.m.)

Mr. J.-T. Richard (Ottawa East): I must say, Mr. Speaker, that I am very disappointed to have to speak at this stage on a bill of the type before us. I would have hoped the government might give us a better opportunity to discuss the question of the pensions of superannuated civil servants. I am sure we are almost out of order in talking about it now, though no one would dare say so because I believe the majority of hon. members are of one mind as to the treatment which should be accorded to retired public servants.

I must say I have encountered a further disappointment inasmuch as though I have been here for about 24 years and though this subject has come up almost every year since 1947, I always seem to begin my speeches on this subject by saying, "I have listened with great interest to the remarks of the hon. member for Winnipeg North Centre." I made my position clear in 1947 and in 1948 I said roughly the same thing. As reported at page 1397 of *Hansard* for that year I said:

> I should not like to let this occasion pass without some reference to superannuated civil servants. No doubt hon. members will recall that last year I was one of those who urged the Minister of Finance (Mr. Abbott) to make some provision for a cost of living bonus or an increase for superannuated civil servants. I have heard of late that this matter is not at present receiving favourable consideration. However, I do not think the arguments advanced against giving this increase are valid because, as I see it, the government is putting itself in the position of a private concern.

I had already stated at that time that the government should be the best kind of employer, that it should follow the example set by private business. But it seems that we are going backwards in this new, just society. In 1949 I was still at it. I was still following the hon. member for Winnipeg North Centre. As reported at page 2283 of *Hansard* for that session I said:

> I have had so many representations in the past four years that I believe sincerely that something must be done. Consideration must be given to working out some supplement for at least some of the superannuated civil servants. The government must be a model employer—

That is where the expression arose.

> —and I do not think we can base any argument on the fact that industry or the life insurance companies do not do it the way we wish this to be done. I am glad the Minister of Finance is willing to reconsider the matter—

The government has been considering the matter ever since. In 1953 I was still at it. As reported at page 3731 of *Hansard* I said:

> I do not wish to go into greater detail but I would like to repeat what I have said through the years, although I do not know that I will be successful, that a number of superannuated civil servants should have been considered for increases in their pensions. Their pensions are very low and they were unfortunate in being retired at an early date and before the recent increases in salaries. I have said before that other countries such as England and the United States have seen fit to give a cost of living bonus to some of their superannuated civil servants in cases where the pensions were too low.

Again, in 1956, as reported at page 5585 of *Hansard*, I said:

> I should like to say a few words on the Public Service Superannuation Act. As you know, Mr. Chairman, we in Canada have the most loyal and efficient public servants of any country in this world. We have been blessed by the fact that throughout the years, whatever government has been in power, we have had a wonderful staff of civil servants throughout the country. That places us in the position of having to deal with them fairly, equitably and most generously. I have always said that in any country the best employer should be the government—

Some of our ministers are getting a great deal of benefit from the civil service, just as a previous minister of national defence received a great deal of benefit from having such an excellent civil servant to advise him as the President of the Treasury Board (Mr. Drury).

Mr. Aiken: But he has not retired.

Mr. Richard: Then in 1957 it was the same thing again. As reported at page 1859 of *Hansard* I said:

> As I have said before, the civil service of Canada is the best in the world, and because our civil servants are the best they are entitled to the best treatment. I have also said before, and I am not afraid to repeat it, that the government should be the best employer. Although the superannuation act is very good and has been amended often to make it better still, I do not agree that we should base payments of pensions to civil servants entirely upon the contract.

I made another speech in 1958 to the same effect. Then something new happened. Three years ago the old civil service act, what is today the Public Service Superannuation Act, was revised, and toward the end of our work there was a great deal of pressure brought to bear upon the hon. member for Winnipeg North Centre and myself. Eventually I was asked whether I would stay on as chairman to deal with the superannuated civil servants.

Hon. members can observe my seat in this chamber and see that, I am a sort of lone wolf here. I have some opinions and some judgments and I am not a swinger—in the proper sense, not in the younger sense, of the term. I say what I think and I always think about the same thing. I agreed to become chairman of that committee on one condition, that we would come to a decision which would be seriously acted upon. And I meant seriously; otherwise I would not have been chairman and nobody could have made me chairman had I not wanted to be.

On May 8, 1967, that very excellent committee brought in a report to which reference was made by the hon. member for Winnipeg North Centre and the hon. member for Grenville-Carleton (Mr. Blair). We had the support of the hon. member for Hull, who had always been very active in the same way as the former hon. member for Ottawa West who is now a minister and has his hands a little more tied than before. Nevertheless, the group of members who formed that committee represented some of the best minds in this house. I was proud of the membership of the committee. It was not at all partisan. As a matter of fact, all of the bills submitted to the committee were amended from top to bottom to suit not one party but the civil service and government relationships therewith generally.

We did not come to the decision that was presented to the house on May 8, 1967, haphazardly. It had involved a great deal of study, it was unanimous, and we thought we had great support from the government. The proposition we made was not an expensive one. I believed at that time that the immediate purpose was to look after retired public servants who were in the low paid categories or who had retired some time before 1963 or 1964.

Although our proposal included the escalation of the pensions of all civil servants from time to time, had a start been made then to escalate the pensions of retired civil servants in the low paid categories or the pensions of those who had retired, say, before 1963, I understand that the total cost in any one year would have been less than $10 million. That figure is not mine, though my mathematics are sometimes much better than those of Treasury Board, whose figure it is. Certainly the cost was nothing like $50 million, and I defy anybody to tell me that it would have cost $50 million to do the job the committee had in mind at that time. The committee realized that it could not do everything immediately but it did want to look after those in receipt of small pensions for a long time as well as those who had retired before 1963.

The number of pensioners who are affected diminishes from year to year. I do not know whether the hon. member for Winnipeg North Centre has given the figures, but the number declines every year. The cost also declines from year to year so far as those who retired on low pensions or earlier than 1963 are concerned.

So, Mr. Speaker, once again I hate to have to repeat the words I uttered the year before last. At that time I said I was absolutely convinced that the government was more or less of the same opinion as the committee. However, it appears that somewhere there are powerful interests that can disrupt the work of a committee that was honestly put to work. I sincerely hope that the present minister will be of the same mind as a former head of the Treasury Board and that he will find sufficient moneys to give immediate relief to at least that group of retired public servants I have referred to, with, I hope, the promise that he will find a way to escalate all pensions in the near future.

• (2:40 p.m.)

We must show good will. It is not enough for a few members of the house to take the brunt of this responsibility. We are beginning to look a little false. People do not appreciate that we are sincere, that we have done our best and that we can do little until the government realizes that the $10 million or $15

million it would spend in this field would bring our people greater benefits than a similar amount spent on hydrofoils or other experiments conducted by the Department of National Defence.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, hon. members may wonder why I am speaking on pensions in as much as I am a long way from being pensioned off.

An hon. Member: You might get there.

Mr. Comeau: Yes, I may get there. Since I do not wish to repeat what other hon. members have said on the subject I shall limit my remarks to about five minutes.

Bill C-178 certainly has some good points. It revises many sections of the acts and, in the case of the Public Service Superannuation Act, provides a better deal for the children of retired civil servants attending school or university. It also gives a better deal to widows of retired civil servants. Many other clauses of the bill are extremely worth while.

I listened with interest to the comments of the hon. member for Winnipeg North Centre. Before lunch I told him I agreed with him. I agree with the remarks he made about the superannuation fund. I understand that civil servants contribute to their pensions and that the government borrows all the money they put into the fund and spends it, with no intention of reimbursing the fund. The government borrows this money from this supposed fund at an interest rate of 4 per cent, I believe. All other interest rates have gone up in the past few years; in this parliament we have seen many instances of interest rates going up. However, the rate at which the government borrows from this supposed fund still remains at 4 per cent. I also understand that the interest on the money the government has borrowed from this supposed fund to which civil servants contribute is double the cost of paying pensions.

I repeat that our civil servants are contributing to the fund and the government is borrowing all the money and spending it, with no intention of reimbursing the fund. I know that a number of hon. members have alluded to this fact and I do not wish to be repetitious, but I wish to say that I do not think the government is being fair. It is not fair for the government to take this money out of the fund and not give civil servants their share of it. I am not in favour of subsidies but I am in favour of having the government contribute its share to this fund, just as any ordinary business would. It should operate the fund as any ordinary business operates a fund contributed to by its employees.

Before concluding may I quote one paragraph of a letter I received from a constituent of mine:

> Ever since this government came into office in 1963 they have refused to listen to all arguments to have civil servants' pensions raised to meet the present day cost of living. The public service pension fund, with the civil servants' contributions with interest along with the government's worthless bookkeeping entries or I.O.U.'s, amounts to some 3¼ billion dollars. Half that amount belongs to the civil servants and retired civil servants of Canada. The civil servants' contributions have paid all pensions. The government has never paid a dime into the pension fund.

In conclusion, I hope that when the bill is reported back from the committee it will incorporate some of the recommendations which have been made.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I just want to say a few words, so I ask my hon. friend, the member for Ottawa West (Mr. Francis) to be patient. I shall take a few minutes only to talk about the pension of public servants.

I am in favour of an increase in the pension of those who have worked in the public service of Canada for many years. I share the opinion of those who spoke before me on that subject. Being from the Hull region, we know there are thousands of retired civil servants. The matter has been under consideration in committees for years. A number of hon. members have made representations and the Public Service Alliance of Canada has made claims.

A few years ago, the right hon. Mr. Pearson even informed the vice-president of the Retired Civil Servants Association that some action would be taken in the near future, but nothing has been done yet. In my opinion, these loyal civil servants have served the government and the people of Canada for many years and they certainly deserve to have their pensions increased. Over the past ten years or so, the cost of living has increased by 44 per cent and nothing has been done to increase pensions for these faithful employees.

I would think that these people were not perhaps in a position to serve their country as members of the armed forces during the last war. However, Mr. Speaker, as soldiers were needed on the battlefields, there had to be some people to assist the soldiers on the home front so that victory might be won as soon as

possible and this is what they did. Like the war veterans, they deserve a pension that will permit them to have a standard of living like all other Canadians, in 1969.

These retired civil servants are no doubt entitled to the gratitude of the country for their services. I will always insist that if we must fight for the rights of these pensioners, we will do so because they have been, so to say, the backbone of the country during the last war, serving their country at home while our soldiers were fighting for Canada. I repeat that I will never insist too strongly on this point. I do feel they are entitled to this consideration for the remainder of their life.

I think that it is the responsibility of this house to endorse this policy, to bring the government to an understanding of this problem and to get it to take the necessary measures for an adjustment of the only income received by those retired civil servants for whom I have a great deal of admiration and sympathy.

Some hon. Members: Hear, hear.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I should like—

• (2:50 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member must be at his seat before he can put his question.

[*Translation*]

Mr. Mongrain: Would my friend, the hon. member for Hull (Mr. Isabelle) permit a question?

Mr. Isabelle: Certainly.

Mr. Mongrain: I will ask him, in a slightly different form, the question I put earlier to the hon. member who spoke before me. In view of the fact that we are now talking about adjustment and readjustment, and that, due to cyclical changes in international financial affairs, the same problem occurs every four years, would the hon. member for Hull not be favourable also to the incorporation in the pension act, of a provision which would grant automatically either an increase or a decrease in pensions, geared to the rise or fall of the cost of living for future decades so as to avoid a similar discussion every five years?

Mr. Isabelle: Mr. Speaker, I thank the hon. member for Trois-Rivières and in reply I will tell him that I would be favourable to any

[Mr. Isabelle.]

provision which would promote an increase in pensions for retired civil servants.

[*English*]

Mr. Lloyd Francis (Ottawa West): I listened with a good deal of interest, Mr. Speaker, to the speech of the minister when he introduced this bill. It represents a measure of updating pension legislation, in some cases increasing benefits and in other cases making economic changes which are long overdue. As has been observed by other hon. members, there is little in the bill to which we can take exception. The hon. member for Winnipeg North Centre (Mr. Knowles) said that what was not in the bill gave us more concern than what was in it.

The last paragraph of the minister's remarks was a disappointment to me and other hon. members from the national capital region in particular and from other parts of Canada because the government was not able to see its way clear to adjust the pensions of those who have retired. The minister's remarks with regard to the interest rate paid on pension funds were particularly illuminating and I listened with interest to what he said in this regard.

One hon. member used the expression "mythology of pensions". Certainly with regard to the funding provisions and the adjusting of interest rates there is a great deal of confusion. I know there is no confusion in the minds of the minister, the hon. member for Winnipeg North Centre and the other hon. members who have spoken, but many remarks made in this house have led to confusion and a great deal of misunderstanding in other quarters.

The fundamental difference between a publicly operated pension plan and a privately operated pension plan is something academics can discuss at great length. A privately operated plan must be actuarially sound. The Department of Insurance and other supervisory authorities insist on full funding provisions, for which several reasons are given. The same requirements are not always necessary when dealing with public funds because the investment of the sums accumulated involves other questions of public policy. This was discovered during the debate on the Canada Pension Plan.

I do not agree with the remarks of the hon. member for Winnipeg North Centre when he dealt at some length with the question of funding. In effect he said that funding does not matter, the fund does not matter, and all this business about interest rates does not

matter. It is true that the adjustment of interest rates to current levels will not produce half of the annual payments of a deficiency nature for arrears of contribution, deferred amortization charges and other items quoted each year in this house. As the minister pointed out, $200 million has been appropriated this year to make up these deficiencies. In my opinion the adjustment of interest rates should have been done some time ago. We have entered into an age of higher interest rates which will continue for at least a generation. This has been forecast by the Economic Council of Canada and there is every reason to believe this forecast. The 4 per cent interest rate level is now seriously out of line. It is the intention of the government to reduce the deficiency payment.

The case of those arguing for an increase in pensions is not aided one bit by talking about the pension fund. No one can look at the income and outgo of a pension fund and talk about whether it is solvent and meeting all actuarial criteria without having an analysis of the fund. That is where actuaries enter into the picture.

I listened to the remarks of the hon. member for Peace River (Mr. Baldwin) for whom I have a high regard. He hoped the committee would study the question of contributions to the fund exceeding the annual outgo. With the greatest of respect to the hon. member, I hope the committee does not waste time doing this. It would be a complete waste of time for the committee to argue with actuaries who have a great deal of technical expertise. The actuaries certainly have the last word over laymen on these matters.

I agree with hon. members on both sides of the house that the case for an adjustment of pensions is basically moral. It is a question of adjusting the standards of living for those who have been affected by inflation over which they have no control. It is a difficult question of public policy, but I believe something will be done about it by the government.

I am concerned, Mr. Speaker, about the misinterpretation of information in this debate. I know hon. members have a clear understanding of what they are saying and I give full marks to the hon. member for Winnipeg North Centre, although he spent more time than I would have on that aspect of his presentation. People listening to this debate, pensioners writing in and those making statements on behalf of the pensioners have given a bad name to a good cause. I have received a substantial number of letters suggesting that I ask the Auditor General to look at the theft that has gone on in the superannuation account. There is no theft, Mr. Speaker. There is no stealing, there is nothing irregular. No contractual obligations have been broken. The law has not been broken in any technical way whatsoever. The excessive preoccupation with the fund has led to the type of arguments which have given a bad name to those arguing on behalf of pensioners. Every time they talk about the fund they act as though they are actuaries, but they are not. They make statements about the fund which are not true. When they make statements in this way, the proper authorities of government treat them with the seriousness they deserve, even though the cause is a good one.

• (3:00 p.m.)

The case for an adjustment of pensions is a moral one. It is not a narrow, legal case. It is not a case which can be argued on the basis of a lack of performance, a breach of performance or something of that nature. It is not a case of money that has been stolen, of money that has been misappropriated, of money that has been misapplied. But I receive no end of letters from people in receipt of pensions who have been listening to all this argument about public pension funds and who have come to the conclusion that there is some gross irregularity involved. As a result, they say things that do not help their own cause.

Recently I received a copy of a letter from a man, resident in Florida, that he sent to the Prime Minister (Mr. Trudeau) and which was grossly insulting to the Prime Minister. The letter contained statements based on his interpretation of what had been done to the fund, and which were a total misconception of what was happening. This kind of argument, this kind of preoccupation with funding, serves no particular purpose.

I hope that at the earliest possible date the government will give consideration to the unanimous recommendations of the committee. I hope it will be able to give consideration to these recommendations at a time when there is a balanced budget, when the kind of fiscal policy which I know the Minister of Finance (Mr. Benson) is doing his courageous best to establish will have contributed to some degree to the fiscal stability of the country, and stopped inflation.

It is essential that inflation be stopped. If we do not stop inflation, we cannot win by accelerating pensions all down the line. We must bring a halt to inflation through respon-

sible fiscal policy. Then, we must take some measures to help restore the standard of living and the equity of those who, through no fault of their own, have placed their savings program in the form of pensions and retirement benefits which have been grossly eroded by inflation.

I repeat that the case is a moral case, but it is no less strong for being moral. Those who speak on behalf of the superannuates in my opinion would be well advised to place their emphasis on the moral side rather than try to set themselves up as actuaries, which they are not.

Mr. Mongrain: Would my hon. friend accept a question from me?

Mr. Francis: Delighted.

Mr. Mongrain: I apologize if it has already been asked and I missed the answer. In general terms, how much would it cost the government to bring these superannuates up to date?

Mr. Francis: Mr. Speaker, the immediate adjustment which I personally had hoped the government would make, and which I hope it will make at the earliest possible date, would be of the order of $10 million to $15 million annually. That is just the start. As the hon. member for Winnipeg North Centre (Mr. Knowles) properly said, it is not just this group that is involved. There are others also. But if you start from here, then the bill is going to go higher. The absolute minimum immediate adjustment, to be consistent with the principles of the committee which reported some years ago, in my opinion would be of that order of magnitude.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I think almost enough has been said on this subject by a lot of people who know an awful lot more about it than I do. Although I was not able to listen to the President of the Treasury Board (Mr. Drury) and the hon. member for Peace River (Mr. Baldwin), I gather that no one is out of tune with the intent to do well by our old people.

I could not agree more with anybody than I do with the hon. member for Ottawa West (Mr. Francis) when he said that this was a moral question. This is not a life insurance pension plan type of thing, which is just as well because I would understand it even less if that were the case. However, to me it is a very simple proposition.

No country is an island to itself at any particular moment in history. We come from somewhere, we are going somewhere. In Canada we have just finished 100 years of work of which I think we can be proud. These people we are talking about have been little people, big people, medium sized people who in a way have handed this country on to us. While we were growing up, while we were learning a few things and getting our minds straight, they were carrying the torch. They have now handed that torch on to us honourably, and by and large it is a pretty good torch. I do not think it is the intention of anyone deliberately to harm these people, but whether that is the intention or not the result is the same.

I find it disgraceful when I go around my constituency and meet an honest, older man, who spent his whole life in the R.C.M.P. Probably because the police force did not encourage marriage, he did not marry until he was relatively old. Now, with all the pensions that he gets he has the munificent sum of $257 a month to provide for his wife and 12 year old child. It is hard for him to sell his 12 year old son on the honesty and integrity of a policeman's job when he sees the way he has been treated by the state at the end of the road. As another example, I mention a man who worked for the Department of Agriculture for years, and who received the munificent retirement pension of $124 a month. Now, he is old enough to get an old age pension in addition to that.

If we are honest with each other and with ourselves, I do not think we can do anything but say that this is a disgraceful situation. We have a very high standard of living. We have a fine country. We have been handed the opportunity to make it even finer. If we have $10 million, $15 million or $20 million we can clean up this situation. There must be ways to find $10 million or $15 million to do that. Surely, that amount of money is being spent on less important undertakings.

There is a question of priority and morality involved. Most people admire the retired civil servants, the retired policemen and the retired armed forces people who have handed on the torch of public service to this generation. We should change our order of priorities so that we can look after these people, so that we can enter our second century with a clearer conscience than we have now. I would ask the President of the Treasury Board (Mr. Drury) to think long and hard on ways and means of changing priorities so that these people can get a better shake.

Motion agreed to and bill referred to the Standing Committee of Finance, Trade and Economic Affairs.

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES—REPORT STAGE

The house proceeded to the consideration of Bill No. C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

• (3:10 p.m.)

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker, because I sense there is a tendency to wait for the minister. We would like to have him here, but of course this is the report stage and we have got along without ministers before.

Mr. Baldwin: It is like the corpse at the funeral.

Mr. Knowles (Winnipeg North Centre): I suggest we might proceed with whatever amendment the sponsor of which is present.

Mr. Stanfield: Is he busy in his office working for the people of Canada?

Mr. Baldwin: Mr. Speaker, on the same point of order which was so eloquently dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles), may I say that in the name of the hon. member for Perth (Mr. Monteith) we have five amendments. Because of certain problems some members are unable to be here. We understood that the government members would probably filibuster the last bill for some time. However, we are prepared to go ahead with the last two amendments which appear in the name of the hon. member for Perth. There is the amendment to clause 5 of the bill and the amendment of clause 6.

If there are no other hon. members here who are prepared to deal with the amendments which are indicated in the appendix to *Routine Proceedings and Orders of the Day* for today's date, we are prepared to proceed with those two amendments.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe, and I think my belief is confirmed by what has been done in respect of the order paper, that the general practice is to take amendments in the order of sequence of the clauses. However, in view of the absence of the sponsors of certain amendments, both in the Progressive Conservative party and my own party, I wonder whether there might be unanimous consent to adopting the suggestion made by the hon. member for Peace River (Mr. Baldwin), namely, that we proceed with the amendment to clause 5 which is on the order paper in the name of the hon. member for Perth.

Mr. Deputy Speaker: I would suggest that this is a bad practice, principally because we would be dealing first with amendments to a later stage of the bill. To ignore at this stage earlier amendments which may have a consequential effect on the bill would raise difficulties. I believe this is being taken into consideration by hon. members. Therefore, if it is the disposition of the house to proceed in this manner, and if there is unanimous consent, I am prepared to do so with that observation about the practice.

Mr. Knowles (Winnipeg North Centre): Without establishing a precedent.

Some hon. Members: Agreed.

Mr. Baldwin: Then, Mr. Speaker, on behalf of the hon. member for Perth I am prepared to move the first amendment in the name of the hon. member for Perth. If Your Honour would be good enough to turn to page iii of the appendix there is an amendment to clause 5 which commences with the words, "and any such regulations may provide that any drug...".

Mr. Knowles (Winnipeg North Centre): It is the second last one, the penultimate one.

Mr. G. W. Baldwin (for Mr. Monteith) moved:

> That Bill C-102, An Act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act, be amended by adding in Clause 5 after the word "drugs", on line 44 on page 8 the following:
>
> "and any such regulations may provide that any drug not manufactured in Canada shall not be imported, distributed or sold until the Minister of National Health and Welfare has first certified the safety and quality of the said drug."

He said: Mr. Speaker, this particular motion would have the effect of amending clause 5 of the bill. As a matter of fact, it might save the time of the house if it were possible for the minister to accept the amendment. While he is considering that, I shall proceed. If at any time he should like to interrupt me to say he is prepared to accept the amendment, I shall be glad to sit down.

During the course of the proceedings held several years ago before a committee of this house known as the Harley committee, a very extensive examination was held into the

whole question of drug prices and the related question of the safety of drugs. I recall this because some six or seven years ago I served on a similar committee immediately following what has been known throughout the world as the series of thalidomide tragedies. At that time, the members of the committee were quite concerned about the effect this particular situation might have on the manufacture and sale of drugs. Therefore certain proposals were considered during the hearings of that committee. Subsequently, the government changed. Then Dr. Harley, at that time a member of this house, quite successfully and with a great deal of diligence acted as chairman of a committee which made a further examination.

Members from all sides of the house agreed with most of the recommendations made by the committee. Included in those recommendations were a number which dealt with the question of drug safety. In other words, the members of the committee said, yes, price is of the essence and the necessity that the price of drugs be reduced to a scale which is acceptable in this country is a tremendously important question. I think, so far as our party is concerned, the members who represented this party on the committee took that position but tied to it this question of safety. I do not think there is any doubt about that. I have mentioned only the thalidomide situation but there were others which indicated that we must not evade our responsibility here by taking the politically palatable course of saying that prices only would be considered and nothing else; that is, say that we do not consider the question of drug safety to be part of our responsibility here. This amendment was brought forward for that reason.

• (3:20 p.m.)

I say through you, Mr. Speaker, to every member of this house that an examination of this amendment would indicate that it would not impose any onerous burden upon the government. Clause 5, as it now stands, states that section 24 of the Food and Drugs Act is amended by adding thereto, immediately after subsection (1) thereof, the following subsection. I will not read it but it does give the governor in council the right to make regulations governing, regulating or prohibiting the importation into Canada of any drug or class of drugs manufactured outside Canada, or the distribution or sale in Canada, or the offering, exposing or having in possession for sale in Canada, of any drug or class of drugs manufactured outside Canada.

[Mr. Baldwin.]

We in this party have consistently, during the course of this session, been very reluctant to entrust to this government the regulatory powers it has sought so often; that is, the power to pass orders in council, regulations and decrees. We think it is very dangerous to invest in this government or in any government, so many powers it can exercise without seeking the approval of the House of Commons.

If ever there were a case where this right could be granted to a limited extent, this is the case. All we are doing by this amendment is authorizing the governor in council, by the terms of the motion in the name of the hon. member for Perth (Mr. Monteith), to make a specific regulation. We do not make it mandatory because we realize there must be a discretion left with the government and the minister. The amendment suggests that any such regulations may provide that any drug not manufactured in Canada shall not be imported, distributed or sold until the Minister of National Health and Welfare (Mr. Munro) has first certified the safety and quality of the said drug.

If the government is going to take upon itself the powers given it under this proposed measure, which we hope will lead to cheaper drug prices although we have some doubt about that, then certainly there is no reason why it should not make the essential investigations through its officers which would permit the minister to make such a certification. This is not an extremely complex matter. The department has the officials, and I assume it will have the opportunity, to make investigations outside the country. Therefore, I suggest we give the government the power to authorize the Minister of National Health and Welfare to certify the safety and quality of drugs. If the government wants to accept one responsibility it cannot shirk another. We, therefore, commend the passage of this particular motion.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, it is a pleasure for me to take part in the debate on the proposed amendment since it deals with the safety and quality of imported drugs.

In my opinion, this amendment could prove useless since the government has already provided for the compulsory inspection, by officials from the Food and Drug Directorate, of the basic ingredients that enter into the composition of some drugs.

One could go on for a long time about the safety and the quality of drugs. The matter has been raised by all those who have spoken against Bill C-102 for many years.

I think we should know that the government, through the Food and Drug Directorate, will surely not allow the importation into Canada of products that are detrimental to health.

I know for a fact that this bill has been studied many times and we know how many recommendations have been made in the last 10 years. But I have never seen as many amendments brought to a bill as in respect of Bill C-102. When it was introduced, a few days ago, there were only five amendments. It seems that the further we get, the more amendments there are. This matter was the subject of three studies over the last decade and the motion was always kept pending. I am even wondering whether the hidden powers of pharmaceutical trusts, owing to lobbying, are not themselves responsible for those numerous amendments which after all are only a scheme to prevent rapid adoption of bill C-102.

When we think that pharmaceutical companies which have been lobbying for the last ten years, have treated just about everybody to meals in restaurants, that they have even sent interns on golf tours in Miami, that they make profits up to 50 per cent, that 50 per cent of their expenses are devoted to promotion and that they tell us that they spend $12 million on research, when they actually are only spending $3 million—

[*English*]

Mr. Baldwin: I rise on a point of order. I am delighted to hear the hon. member make these excursions into fantasy, but I think he might be directed by Your Honour that under the rules which have been laid down, when motions of this kind are placed before the house all speeches should be strictly relevant.

Mr. Deputy Speaker: I must say that my thought processes were working along the same lines as those of the hon. member for Peace River (Mr. Baldwin). I would request the hon. member for Hull (Mr. Isabelle) to deal more directly with the matter before the house.

[*Translation*]

Mr. Isabelle: Then, Mr. Speaker, I shall continue my remarks on the safety and the quality of drugs.

I think that the companies that actually import drugs are responsible ones, because almost all imported products, whether they are the finished products or the ingredients that enter into the manufacturing of these drugs, have been inspected on the spot, and if not, they have been inspected in Europe or somewhere else, even in Montreal, at the unloading wharf.

Now it is obvious that all products cannot be inspected upon their entry into Canada. However, I know that the Food and Drug Directorate has an excellent team that sees to it that safety and quality standards for drugs are adhered to. This is so true that I am always happy to recall a statement by Professor Blanc, a great Geneva pharmacologist, to the effect that Canada's Food and Drugs Directorate is the best body of its kind in the world because it devotes particular attention to ensuring the safety and quality of drugs.

Some hon. Members: Hear, hear.

Mr. Isabelle: I would like it to be very clear that the quality and safety of drugs will always be maintained, and I think useless to insert such an amendment in the bill, since it contains provisions to that effect already.

Some hon. Members: Hear, hear.

• (3:30 p.m.)

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): I notice that the hon. member for Parry Sound-Muskoka (Mr. Aiken) also attempted to get the floor. I appreciate speaking ahead of him because then if there are answers to my questions he may be able to provide them.

Like the hon. member for Peace River (Mr. Baldwin), all of us are concerned about the safety and quality of drugs that are made available in this country, but I wonder if the addition of the words in the proposed amendment is necessary. Indeed, the question I would like to put to the next speaker who supports the amendment is precisely this: Why do these words need to be added? There are already provisions in the Food and Drugs Act regarding the safety and quality of drugs generally, and I may add that the amendment to section 24 of the act which is being brought into effect by clause 5 of Bill C-102 uses the very same words. The new clause will make it appropriate for the Governor in Council to pass regulations regarding the importation

into Canada of any class of drugs. The following are the governing words:

—as the Governor in Council deems necessary for the protection of the public in relation to the safety and quality of any such drug or class of drugs.

Surely, the provision which is already there is adequate. I come back to my question: Why add the words of the proposed amendment that is before us which will say:

—and any such regulations may provide that any drug not manufactured in Canada shall not be imported, distributed or sold until the Minister of National Health and Welfare has first certified the safety and quality of the said drug.

It seems to me that if that is a desirable practice it could be done under the regulations that are provided in the new clause 1(a). Therefore, I say, why add these words?

However, I question the amendment not just because it strikes me as being redundant but also because it seems to me that we might establish two practices so far as the Department of National Health and Welfare is concerned. We might say that with respect to drugs manufactured outside Canada there must be a certain kind of certificate that is not required for drugs manufactured in Canada. But are we not running the risk of getting different treatment so far as the safety and quality of drugs manufactured here or elsewhere is concerned? Questions about such matters as this one bother me. As I said, it seems to me to be not just a case of redundancy but a case of something that provides special loopholes for drugs manufactured in Canada that do not exist with regard to drugs manufactured outside Canada. In other words, if the sponsors of this amendment cannot show both its real necessity and also that it will not create a potential difficulty, I believe it would be better to leave clause 5 of Bill C-102 as it is.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like at this time to express the policy of the Ralliement Créditiste on the amendment introduced by the Progressive Conservative party. I agree, to some extent, with the opinion expressed by the hon. member for Winnipeg North Centre (Mr. Knowles) and I think that if this amendment were adopted there would then be a double inspection, one of which would take place when the drugs enter Canada.

As the hon. member for Hull (Mr. Isabelle) was saying a while ago, the experts responsible for the inspection of drugs entering the country are highly qualified. They are as qualified, I would say, as the departmental inspectors. On the other hand, I notice that this group of inspectors is responsible to the department and I am wondering why the Progressive Conservatives are proposing this amendment which is merely a repetition of the terms of the present legislation.

If the present legislation provides for an order to the Customs agents to inspect all drugs and pharmaceutical products entering Canada, I cannot understand the purpose of this amendment, unless its sponsor can provide us with more details on it.

I remember that, a few weeks ago and for another reason, the minister was blamed for accepting full responsibility. This took place during consideration of the bill on the use of pesticides or on the establishment of the interest rates. In fact, the minister was accused of trying to take over the government's authority and to take decisions by himself. We are now apparently delegating to this group more authority than is provided for in the law and I do not believe all hon. members are aware of that.

We ourselves suggested that full powers should not be not given to the minister, but that they should be well defined in the law and that the people who will be responsible should be clearly determined by the law, which, I believe, will not be agreeable at all to the Minister of National Health and Welfare (Mr. Munro), for he also has his responsibilities.

So that the department will not be overburdened, certain issues should be settled by task forces and, things being as they are, we really cannot support this amendment.

[*English*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a few remarks to make, and then I will answer the questions raised by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Roberval (Mr. Gauthier).

Mr. Knowles (Winnipeg North Centre): We provided you with a speech.

Mr. Aiken: Discussions on this bill have ranged far and wide in the house, in the industry, as well as among the general members of the public for a considerable period of time. The general feeling is that while the bill is well intentioned and well spelled out as to what it proposes to do, it will not be effective, at least for more than a

short period of time, in reducing the prices of drugs to the public.

Mr. Speaker: The hon. member will allow me to interrupt him to remind him that we are now on the report stage and there should be no general discussion of the bill. Eventually, there will be a third reading stage during which general considerations regarding the bill might be expressed. I suggest to the hon. member that the only subject under discussion at the present time is the amendment moved by the hon. member for Perth (Mr. Monteith).

Mr. Aiken: Thank you, Mr. Speaker. I did not intend to make general remarks. I was attempting to show the background reason for moving this amendment. The fact is that the price reduction may or may not be an effective part of the bill, but we wanted to be absolutely sure that regardless of the other effects the bill may have the quality of drugs which may come into Canada under this bill will not be reduced and that the health of Canadians will not be endangered.

• (3:40 p.m.)

At the outset the members of our party, particularly the medical men who have taken part in the committee work, have been most concerned about the possibility of substandard drugs finding easier access to Canada than in the past. The hon. member for Winnipeg North Centre (Mr. Knowles) asked two questions. The first was why this amendment should be necessary at all, since the government can, under this legislation, pass regulations to cover the situation we are intending to include. The answer is that the inclusion of the amendment we have proposed would place an onus upon the government, and serve as an indication of parliament's intention, to make certain that no drug was imported and sold until its quality had been certified.

It may be that if the bill were examined more places could be found in which this provision might be inserted. But we say this effort should not be necessary. If it is the intention of parliament to make sure that the safety and quality of drugs is certified by the minister, then it should be stated directly in the legislation. It is for this reason I contend the amendment we propose ought to be included.

The second point raised by the hon. member was that drugs manufactured outside Canada and drugs manufactured inside Canada might be treated in two different ways. Obviously, this is the case. The manufacture of drugs within this country comes within the legislative competence and control of the parliament of Canada and the process is open to immediate inspection by officials of the food and drug directorate. They have the power to inspect and examine not only the drugs themselves in the laboratories, but the conditions under which they are manufactured. Our officials can examine the ingredients which go into these drugs, the conditions under which they are manufactured and put together, and other factors which influence the production of the drug in its final stage. This is important because it has been admitted many times that the Food and Drug Directorate is unable to cope with the task of inspecting all these drugs. In fact, it has been said the directorate can only conduct spot checks, and that in many cases they are unable to certify quality control.

This has been one of the problems in connection with importing large quantities of drugs. On the other hand, the directorate does have the ability to go to a place of manufacture and inspect not just the end product but the actual facilities used to produce that product. Great concern has been expressed as to the quality of drugs manufactured outside Canada. There have been stories, many of them exaggerated, naturally, of poor quality drugs, drugs of inconsistent quality and drugs manufactured under unsuitable conditions, becoming available to the Canadian market as soon as this bill is passed. The food and drug directorate is not able to inspect the conditions under which they were produced. It can only inspect the end product, and then in a limited way by means of spot checks. For these reasons, there is a good deal of difference between drugs manufactured inside Canada and drugs manufactured outside the country and the only way of ensuring we are protected is, surely, to authorize and provide for the specially careful treatment of drugs manufactured outside Canada.

This subject is of special concern to me, personally. A few months ago I suffered an illness and was placed on a delicate drug in connection with which quality control must be absolute. I know, as a result of my illness, that there is a difference in the quality as between drugs manufactured by one company and another. It is extremely important that there be consistency in the manufacture of many of these drugs so that when a certain

amount is prescribed the patient may be absolutely sure of receiving it regardless of the manufacturer of the drug concerned. Thus, I have no hesitation in seconding this amendment and no apology to make for doing so. I am aware there is a general theory that one should not deal with one class of persons in a way which discriminates against another in the same field. But here is a situation in which we must do so if the genuine concern of many Canadians and of many members of this house, namely, that there should be rigid quality control over drugs brought into this country, over whose manufacture we have no power of supervision, is to be met.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I share the concern of spokesmen for the Official Opposition in approaching this question of drug safety. However, this subject was carefully and thoroughly considered during the hearings of the Committee on Health and Welfare in connection with the bill before us.

I may say at the outset that my colleague, the Minister of National Health and Welfare (Mr. Munro), and I have been careful to separate our different functions and responsibilities under this legislation. Primary authority over the Food and Drug Directorate rests with my colleague, not with myself.

The evidence given before the committee, particularly by Dr. Chapman of the Food and Drug Directorate, showed, I believe, that the directorate does have the authority it requires to deal adequately with the question of the safety of imported drugs. I have in mind clause five which was put into the bill to deal specifically with the question of drug safety by amending the Food and Drugs Act and giving the Food and Drug Directorate the authority to pass regulations dealing with the importation into Canada of any drug or class of drugs manufactured outside Canada. I believe the evidence given before the committee shows the amendment before us to be unnecessary inasmuch as provision for protection has already been made in the bill.

• (3:50 p.m.)

Other hon. members have pointed out that this amendment also involves another concept, one that I do not think the government or the house should undertake lightly. At the present time responsibility for the safety of drugs rests primarily with the manufacturers of drugs. Through the Food and Drug Directorate, regulations are made pursuant to the Food and Drugs Act, and regulations can be passed pursuant to clause 5. Through its directorate, the government carries out inspections of domestic or imported drugs as the directorate deems necessary in order to ensure that the regulations are complied with.

I think the primary responsibility for the safety of drugs must remain with the manufacturer. To change that onus would, I think, be a very serious step. Therefore, for those two reasons I think the amendment should be opposed.

I might refer also to the evidence given before the health and welfare committee, and I do so in order to state my disagreement with some of the comments of the hon. member for Parry Sound-Muskoka (Mr. Aiken). Evidence was given concerning the increase in the budget of the Food and Drug Directorate, the number of staff positions authorized by Treasury Board for the directorate for their operations in Ottawa and, as their intention is, for service in the United States and Europe.

I disagree with the hon. member that under the act we should look only, as he described it, at the end product. That is not the case, and it is not the intention of the Food and Drug Directorate so to do. The directorate will be able to inspect foreign facilities and the source of manufacturing of imported drugs. If a foreign manufacturer does not cooperate with our inspectors and allow them to inspect the facilities, we will simply not allow importation of that manufacturer's drugs—unless, of course, we are satisfied that the production facilities and techniques are safe.

Therefore, I think that under clause 5 as now worded we have complete authority to deal with importations. We are increasing the staff of the directorate to handle the increased imports. Thirdly, I think that to accept the amendment would create a quite undesirable situation vis-à-vis the manufacturers, who no longer would be primarily responsible for the safety of their products.

Mr. Aiken: Would the minister permit a question?

Mr. Basford: Certainly.

Mr. Aiken: Can the minister assure the house, in view of what he has just said, that when the bill is passed the government will be able to make regulations, and intend so to do, that are just as effective as would have been the case had the amendment been passed? In other words, the acceptance of this amendment would not in any way strengthen the hand of the government in this particular

matter. If the minister can assure us of that, I think we will be very happy.

Mr. Basford: Mr. Speaker, I do not know I can quite give the hon. member that assurance. As I understand the amendment proposed by the hon. member for Perth (Mr. Monteith), the Minister of National Health and Welfare must first certify the safety and quality of the drug. That is not in accordance with the procedures of the Food and Drug Directorate. They have very carefully drawn regulations regarding inspection, examination and safety standards which manufacturers must meet, whether they be domestic manufacturers or foreign manufacturers who are exporting drugs to this country. There is no requirement under the existing regulations to first certify the drugs.

The evidence of Dr. Chapman before the health and welfare committee is that this would be a very bad practice, not a practice that has been followed. As the hon. member for Winnipeg North Centre (Mr. Knowles) said, it would result in our having a huge bureaucracy looking at every sample that came along before issuing a certificate.

As I say, the Food and Drug Directorate has its own regulations and carries out periodic inspections to ensure that the regulations are being met. They do not require that before any drugs can be sold the Food and Drug Directorate must issue a certificate. Certain regulations as to safety have to be met. But we do not have a system, and do not intend to have a system, as I understand the evidence given on behalf of the Food and Drug Directorate, of pre-certification of every drug.

Mr. Bigg: Mr. Speaker, might I just ask the minister a question. Is any protection given to Canadian industry in the matter of patents and unfair competition? What I am getting at is this. Not only industry but the whole country has a vested interest in university graduates in this country, those young people who want to earn a living by developing new drugs. I call to mind such people as Dr. Banting, who discovered insulin, and Dr. Best. Is any protection given to such people as Dr. Banting or Dr. Best, or their heirs, in regard to unfair competition from the oral insulins that have been developed by other countries?

Mr. Speaker: Order, please. Was the hon. member rising for the purpose of asking a question?

Mr. Bigg: Yes, Mr. Speaker. I realize it was an involved question but I wanted to make sure the minister understood the purport of the question. Is any protection given our vested interest in research, including the large sums of money spent on research into drugs by Canadian industry?

Mr. Basford: Mr. Speaker, having regard to Your Honour's previous remarks about sticking to the particular amendment on the report stage, I do not think this is a proper question on clause 5 of the bill, though I am not trying to evade it. There are amendments to the first clause, and I think it is a proper question at that stage when we turn our attention to patents.

Mr. Speaker: Order, please. The suggestion made by the minister is, I think, in order. I might tell the hon. member that the question was involved, as he himself agreed, and it is difficult for the Chair to determine to which clause it specifically referred. Can the Chair assume that discussion on the amendment before the house has now concluded?

Some hon. Members: Question.

Mr. Speaker: Is it the intention of the house to postpone the taking of a division on this particular amendment?

Mr. Baldwin: Mr. Speaker, I think we could call the yeas and nays at this time but proceed no further. This does not seem the time to cast pearls of legislative wisdom to the minister.

Mr. Speaker: Is it agreed that we shall call the yeas and nays?

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the said amendment will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Baldwin: On division.

Amendment (Mr. Monteith) negatived.

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

Private Bills

PRIVATE BILLS

THE BONAVENTURE AND GASPÉ TELEPHONE COMPANY, LIMITED

The house resumed, from Friday, January 17, consideration of the motion of Mr. LeBlanc (Rimouski) that Bill S-12, respecting The Bonaventure and Gaspé Telephone Company Limited, be read the second time and referred to the standing Committee on Transport and Communications.

• (4:00 p.m.)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, when this bill was last before the house some weeks ago I was speaking and had not exhausted all the time allotted to me. This afternoon we are discussing Bill S-12, respecting Bonaventure and Gaspé Telephone Company, Limited. Quite a number of hon. members have spoken on the various aspects of the bill. As hon. members know, an attempt is being made under private bills similar to this one to transfer part of our Canadian economy to foreign ownership. Because of the considerable time interval between the various appearances of a bill in its various stages before the house, hon. members lose the thread of debate and may forget points which have been raised with respect to a bill. May I again briefly acquaint hon. members with the over-all picture, as it relates to this particular company. The explanatory note to the bill says that the purpose of it is to resolve doubts as to whether the company may dispose of its undertaking to a company incorporated under or subject to the laws of any province of Canada. But in this explanation too little information is given, not only to hon. members of the house but to Canadian people generally. Also, our citizens know too little generally about what happens in this house with respect to private bills such as this. I shall therefore, speak briefly on the background of this bill.

Oddly, any Canadian looking at the title of the bill would imagine that there we have a small Canadian telephone company. He would not delve too deeply into the widespread ramifications of foreign ownership which flow from the bill. Examining the matter further, we find that the bill deals with a company totally owned by Anglo-Canadian Telephone Company, which in turn is owned by the General Telephone Company. That makes the company in question here a subsidiary of one of the largest telephone companies in the world. In fact, the ultimate parent is one of the largest corporations in the world, with telephone communications systems in Australia, the West Indies, across the United States and, no doubt, in other countries. It is interesting to note that the Anglo-Canadian Company is the counterpart of a number of subsidiary companies under the control of General Telephone and Electronics Corporation. Hon. members will find that to be so if they consult Moody's Public Utility Manual. The latter company really is a holding company with subsidiaries in many countries.

Hon. members should know a little more of the background of this bill if they are to discuss it adequately. In July, 1966, General Telephone purchased Anglo-Canadian Telephone Company and made it a wholly owned subsidiary. They also acquired the controlling interest in Quebec Telephone Company which, at the end of 1967, had about 119,000 telephone subscribers. We find that in 1967 General Telephone, together with a wholly owned subsidiary, Anglo-Canadian Telephone Company, owned over 50 per cent of the British Columbia Telephone Company. It also owned, just over 53 per cent of the Quebec Telephone Company. In 1967, there were 835,000 telephone subscribers in British Columbia.

These facts indicate how the tentacles of the ultimate parent corporation have reached into every section of this nation. What disturbs me most is that in this bill we are dealing with a public utility controlled by someone who does not live in our country. Where do we stop in giving away the ownership of our assets to foreigners?

• (4:10 p.m.)

I believe that many utilities, such as the telephone service, ought rightfully to be monopolies. It will be extremely costly for the community to have rival telephone companies operating in the same territory. Since by its vary nature a telephone operation lends itself to monopoly control, such operation ought to be controlled by the people it serves, who in this case happen to be the people of Canada. Any government, individual or party fostering, advocating and assisting in removing from our national control such public utilities is, to be perfectly frank, doing a great disservice to our nation. It is therefore amazing to see members of the government party in this house sponsoring bills of this type. If it is government policy for them to do so, let that government policy be announced. Let government supporters go to

the Canadian people at election time and say, "Here, we will sell you out, lock, stock and barrel." I am disappointed to see through the medium of private bills similar to this one that come before this house little chunks of Canada's economy going on the auction block week after week. I sometimes wonder what private members the government benches think of this. They should be able to see what is happening and take a stand in their ridings, party and caucus. There should be a clearcut program and policy on liquidation, as in this particular instance, of public utilities in this country. I have raised this point before and will continue to raise it. There have been warnings galore. I do not know how many hon. members have read and studied in detail the report of the task force on the structure of Canadian industry. This report is entitled "Foreign Ownership and the Structure of Canadian Industry". The short title is, The Watkins Report.

This report sets out in detail what is happening to Canada and Canadian industry. This report, ocmmissioned by this government to give direction to it warns that the control of our Canadian economy is going by the board. At the start of the first session of the news parliament in 1968 the Prime Minister (Mr. Trudeau) stated there would be a new deal for Canadians. What has happened? Private member after private member on the government side introduced private bills which placed another chunk of Canada's economy on the auction block. People from one end of the country to another should know what individual members are trying to do to Canada's economy. Once they get away from their constituencies, they do not report to their constituents what they are trying to do. That is why we are raising this issue, Mr. Speaker, and will continue to raise it.

Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill S-12 be not now read a second time, but that it be read a second time this day six months hence.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, if as was shown by the previous speaker, there is great doubt as to the legality of this bill, giving it the six months' hoist might not be a bad thing. The Bonaventure and Gaspé Telephone Compnay Limited cannot be in such a hurry to sell that it cannot wait another six months.

As far as private bills related to companies are concerned, one cannot always depend more than necessary upon the decisions of the Canadian Transport Commission, which in the last analysis must approve or disapprove of the sale of a company, as the case here. It follows from that that we already have proofs that monopolies were created to the knowledge of the commission.

I will give you an example, in the information and telecommunication field, of a company such as the Power Corporation, that has succeeded more or less in exercising an information monopoly through several newspapers in the province of Quebec as well as quite a number of radio and television stations. Such monopolies may present a real danger to democracy, which proves that one is never too cautious in that field.

The fact remains however that this bill seems to protect freedom well enough. One may be inclined to say at first blush that the company has indeed the right to do what it wants. But when one knows the extraordinary power of trusts, of certain financial sharks, one is forced to act as a watch-dog and to sound the alarm. That is the reason why I support the motion to defer consideration of this bill for six months from today.

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I want to give my impressions and comment on some of the remarks made on the motion that has just been presented.

Unless I am mistaken, a while ago the hon. member for Kootenay West (Mr. Hardin) insisted on the fact that the owners of the company concerned in this bill are foreigners. If such is the case, I cannot but share his opinion, in theory as well as in practice.

I also heard our hon. friend, the member for Champlain (Mr. Matte) point out the harmful effects of some monopolies and trusts; if such is the case, he is right.

Mr. Speaker, allow me to put forward a few details which I hope will help to refute the assertion that foreigners control the Quebec Telephone Company. First of all, according to my information which I believe is as credible as that of my hon. friends of the opposition, all the shares of the Bonaventure and Gaspé Telephone Company Limited are owned by the Quebec Telephone Company, with the exception of those which are known as directors' qualifying shares, and three or four others which are owned by an American estate. Furthermore, Quebec Telephone is the

sole creditor and it alone finances the development of the Bonaventure and Gaspé Telephone Company because the financial situation of the latter is such that it is unable to obtain funds on the money market at a reasonable rate.

The Quebec Telephone Company, if my information is correct, has over 3,000 shareholders of whom a large number are Canadian citizens. However, I have been advised that the Sogibry, a Canadian company, had sold 51 per cent of its shares to the Anglo-Canadian Telephone Company, which has held a Quebec charter since about 1934, which also owns 51 per cent of the shares of the British Columbia Telephone Company, that holds a federal charter.

Someone said that steps were to be taken to grant a Canadian charter to the American company, the General Telephone Company, which, in my opinion, is impossible.

There is one other point I should like to make, though I do not want to unduly extend the debate. Out of the 600 telecommunications companies in Canada, only three hold a federal charter: The Bell Telephone Company, The British Columbia Telephone Company, and the small company the present bill is dealing with, the Bonaventure and Gaspé Telephone Company Limited.

• (4:20 p.m.)

All three companies, moreover, are registered with the Canadian Stock Exchange in Montreal and Toronto. My hon. friends of the opposition have the right to go and buy the securities of these private companies and to have a share in their profits.

I just ask them to give us a chance of having this bill considered in committee. I am very much concerned by the fact that the Canadian citizens—most of whom, because of their daily activities, are not quite aware of what is going on in parliament—realize that we have been going on for months, nay, for years, repeating the same things on the same subject.

We will all be charged—not only the government members, but also the opposition members—with inefficiency and with misusing our parliamentary institutions.

It would be so easy—and so sensible—to have this bill deferred to the committee. If, later on, we felt we should oppose the bill, we would have plenty of opportunities to vote for or against it. We could at least do ourselves the justice of having acted as sensible people, giving the matter thorough consideration. And why?

Because—and this seems to be a platitude that we must often repeat in the house—the witnesses, the people concerned, the official representatives of these companies will have answered our questions.

Before I conclude my remarks, I would like to recall that a few years ago, the newspapers reported that the Sogibry Company was selling its stock to an American company. That was not the case since a great amount of the stock is still in the hands of Canadian citizens.

We know that the area serviced by this company is regarded, rightly or wrongly, as an underdeveloped area. It was chosen as a pilot area. And our citizens, rightly or wrongly, often feel neglected by the big cities like Montreal, which are located far from the Gaspé area and forget about its people. That could well be one of the reasons for their living in poverty.

We know that there is in Quebec a small group of young and not so young people that are called separatists. We find them mainly in the big cities that I have just named, and my compatriots of the Lower St. Lawrence and Gaspé areas keep on saying that we are neglected and that these separatists also forget about us. But, when it is a question of hurting us in one way or another, then they do not forget us.

I remember that one day, a few separatists from Montreal insisted very strongly in the newspapers and through other means to prevent this transaction which all the people of our area wanted. Why? Precisely because it meant progress for the people of our area. And we know what discussions had been going on at that time. It was a question of the sale of Quebec Telephone to another Canadian company of which we are proud. Besides, our citizens feared that the administration of this company would be transferred somewhere else, which was possible. Indeed, the Quebec Telephone has several hundreds of employees who contribute to the economic development of our area. The transaction was done and the personnel remained with us. Moreover, this enabled two very important factories to get established in one of the areas that were designated by the government.

If this bill were passed, this small company which serves a small population and has at

the most 13,000 subscribers would save $100,000 a year. Furthermore, if my computation is correct, the government of Canada could recover in taxes about $52,000 a year. By leaving things as they are now the federal government loses $1,000 a week.

Earlier, I was referring to separatism. I ask some hon. members whose views I respect not to play the game of those separatists who tried to hurt our people, and to call the representatives of the company so as to make sure that this transaction will help the small people of Gaspé, especially the citizens of the Bonaventure and Gaspé ridings.

It is fine to state great principles and I am for that but before doing so, I think that it would be a good idea to consider their effects.

Mr. Speaker, before closing I ask my friends to behave in such a way as to give the Canadian people the impression that we are taking our job seriously and that our discussions are not just some sort of entertainment. At this stage I would ask the hon. members of the opposition to co-operate so this bill be referred to a committee, then if our friends who are objecting to it have serious reasons to do so—they will have an opportunity to make their point. When they object that these companies' interests are held by foreigners and that we might be building a great monopoly—as was mentionned by the hon. member for Champlain—I could reply that if the bill is referred to the committee, they will have every opportunity to get information.

That is why, Mr. Speaker, on behalf of the citizens of the Gaspé area I ask our friends who object to this bill to enable us to meet the representatives of the company so that we can look into this matter in great detail. Then, come what may, everyone will be free to vote according to his own views.

• (4:30 p.m.)

[*English*]

Mr. Peters: Mr. Speaker, before the member takes his seat, perhaps I might ask him a question. I was very interested in his presentation, particularly in the light of the fact that he represents the area in question. I have no disagreement with his contention that the Gaspé has been neglected. But is he not aware that with the passage of this bill this company, in effect, would pass from the control of the federal government and the Department of Transport which now sets the rates. The rate structure would then be left free to be established by Quebec Telephone rather than by the federal Department of Transport. This, obviously, would have some effect on the telephone service in his area.

[*Translation*]

Mr. LeBlanc: Mr. Speaker, I will first answer my hon. friend's question in a general way. The first object of the present bill is to authorize a sale. In the second place, it is intended precisely to improve services in accordance with technological changes and developments in the field of communications.

At the present time, this small company which exists in name only cannot improve its own situation, develop normally.

With regard to rates, I must honestly admit that I would not be in a position to give an exact answer. I think those who will appear before the committee will be in a position to answer those questions more accurately than I could do so myself.

As I said, one of the objectives of the present bill is to improve services.

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I was extremely interested in the remarks of the hon. member for Rimouski (Mr. LeBlanc). Naturally, I am very interested in his side of this particular question. Since he is the member from this area, he has a particular interest in this company. I would not quarrel with that at all. I know that if this were a small telephone company in my riding I would be vitally interested in it and would be working very hard to see that service in that particular area was improved.

An hon. Member: We would not be against it.

Mr. Rose: Certainly, I would not assume that if I were for something in my riding the members of the government would be against me because I believe some members, at least those from New Brunswick, are very generous and would not necessarily be against something because I happen to be for it. I apologize to the hon. member for Rimouski because I am unable to reply to his representations in his own language. I feel that is my fault and I apologize for it.

The hon. member discussed the ownership of this particular company. When I first spoke on this bill on December 3, I too, since I was a rather new member, was perhaps a bit naïve

about this situation. I did not see the connection between this little company in Gaspé and various other companies not only in this country but also in the United States. The *Financial Post* recently conducted a survey and issued a report. I should like to read from the speech of the hon. member for Broadview (Mr. Gilbert) of December 3, as recorded at page 3444 of *Hansard*. I shall read part of this into the record because I believe it is important:

> The report tells us that a subsidiary of Quebec Telephone is the Bonaventure and Gaspé Telephone Company, which is wholly owned and serves the south shore of the Gaspé Peninsula, Quebec. So this is the first link in the chain of ownership. We then set about further investigation and found that Quebec Telephone is itself a subsidiary of the Anglo-Canadian Telephone Company whose head office is situated at 715 Victoria Square, Montreal. This is a holding company whose subsidiaries own telephone systems in British Columbia, Quebec and the Dominican Republic, and supervise publication of telephone directories and installation of services for telephone companies in Canada. The company is itself a subsidiary of General Telephone and Electronics Corporation which acquired all of its class A shares in 1965 through an exchange offer of two and a half General Telephone shares for each class A share of Anglo-Canadian.

Then, this report lists the various directors and ultimately we have a mixture of Canadian and United States directors. The ownership eventually falls into the hands of United States interests. This is something about which members of our party have continuously been concerned. I know members on the other side of the house are becoming very dreary of our particular stand on this matter. We believe, however, that it is important to bring to public attention a situation which we in this party—I know this view is shared by a great number of Canadians—feel is constantly eroding Canadian ownership in vital utilities and financial institutions, and causing it to fall into foreign hands. I think this is something about which we must be very careful.

I, too, like the hon. member for Kootenay West (Mr. Harding), am very concerned when this sort of thing happens under the guise of something else. We do not believe it really is to the credit of any government member to assist in this particular development. Only the other night Mr. Watkins, the author of the famous Watkins report which has to do with the structure and ownership of Canadian business, said in Toronto that it is almost too late to recoup a major portion of Canadian industry, natural resources and financial institutions which is in foreign hands. This almost makes this parliament irrelevant. We know the government has accepted the Watkins report. So far I have seen no move on the part of the government to implement any of its recommendations. This is a very important report because it not only implies a loss of our economic sovereignty but ultimately the loss of our political sovereignty. Many Canadians are concerned because decisions that relate to this country are being made by people outside our borders. This should not be the case so long as we have a country that maintains its sovereignty and a particular identity.

• (4:40 p.m.)

Let us think of the amount of money we devote each year to the various schemes and functions of the communications media, the C.B.C. and other operations in order to preserve our Canadian identity. This is the taxpayers' money that is being spent to preserve the Canadian identity on the one hand, yet on the other hand we give away control of our economy. If we continue to do this, we are going to lose this race.

Perhaps this loss of Canadian sovereignty is not so important. It seems to me if we are going to maintain a viable and clearly independent Canada a greater number of people must concern themselves with this situation. The people in this federal house are the ones who should be most interested in this. The members of this party will not be party to any such move. We will fight any move coming before the house during the private members hour or at any other time which assists, aids or abets this kind of thing.

Yesterday afternoon the hon. member for Vancouver Quadra (Mr. Deachman) got very upset. He delivered a highly emotional testimonial. He made a very good speech and I compliment him upon it. I think he showered more heat than light on the subject. Nevertheless, I compliment him for his oratorical ability. In any event, we are going to fight these moves and no one will dissuade us.

Let me also say to the hon. member for Vancouver Quadra that we are not the only people who use a great deal of time which might be considered unnecessary by hon. members in some quarters of the house in talking out the private members hour. I can think of many good bills, private and public, that have been presented to the house. I think I have agreement in this respect from all sides of the house. When this occurs the members on the government side talk-out these bills. I think members on this side of the house are equally guilty in this regard. I have expressed my opinion on more than one

occasion about the futility of the private members hour.

We must be very concerned about problems in respect of big corporations or multi-national corporations. It is not necessarily so that what is good for General Motors is good for the country. I do not believe that. Virtually every country in the western world has taken steps which have advanced their economic sovereignty. If we are going to maintain any economic independence, we have to do something.

We have been amassing luxuries. This is the result of our being tied to continentalism. The matter does not stop there. The Gaspé company is not just a little company. It has links with a United States corporation. The British Columbia Telephone Company in my province is in exactly the same position. The existence of these multi-national corporations is a relatively new phenomenon which is not limited to Canada or the United States. Certainly, the concept of multi-national corporations is in existence in Europe, Asia and South America, although it is relatively new. We do not really know how to deal with these problems. Very few people have faced up to this issue or studied the effects of it. They have very little to recommend as to how to deal with it.

Certainly, a multi-national corporation has no political or ideological roots. You cannot say, on the one hand, that these corporations are the result of free enterprise when you realize that on the other hand they are much more powerful than governments. It seems to me also that we need business, investment and the kind of thing which will create jobs. If we are sincere in terms of maintaining our sovereignty and political freedom we had better be very careful about what is happening. I, personally, am sorry to see a member of the government supporting a bill such as this. Perhaps the kind of nationalism I am talking about is an outdated concept.

When I went to high school 20 or 30 years ago I was told that nationalism was responsible for all kinds of things; wars, economic disaster, political and social breakdown, and that perhaps the boundary lines separating nations should disappear. As yet we do not have any adequate substitute for nationalism, but whether we like it or not we should be looking for new political structures and administrative units. Perhaps the kind of thing that is happening now represents a step in the right direction, whether we like it or not.

In spite of the fact that all my high school teachers told me that nationalism was outdated, I am prepared to suggest that if they thought about it now they would come to the conclusion they were wrong. The ideology of this particular century, certainly from the 1950's, the 1960's and since World War II, has been nationalism. We see this happening in Africa and in Asia. These are small administrative units and small political units. The tragedy which is taking place in Nigeria is an example of this. We have even seen nationalism coming about in Britain in the concept of one rule for Scotland. We can see the spectre of separatism in Quebec. I would be very sorry if this type of thing occurred. I hope that when someone from French Canada comes out to British Columbia he will look around and say: This is my country. When I go across the river northward into Quebec, that is what I want to be able to say. If separatism reaches the stage where people are forced into any other position I will be very sorry.

We have not found solutions to problems of this kind. Many suggestions have been made on a national basis. The hon. member for Rimouski (Mr. LeBlanc) made the statement that separatism in relation to the kind of thing that the people in his riding were concerned about can be considered vis-à-vis the problems in Montreal. I am sure the people who are most critical would not feel very comfortable if they realized the true nature of the comparison between this little telephone company in Gaspé and perhaps the General Telephone and Telecommunications Company of the United States.

The diversified multi-national corporation concept is a situation we must deal with realistically. I do not think we are unique or the only country facing this kind of new technique. We had a private members hour yesterday and we heard testimony and evidence to suggest that our financial institutions were being increasingly dominated by foreign interests. This has caused particular difficulty for Canadians. We are experiencing a time of inflation, and we do not control our own financial institutions. How can we really be responsible for priorities, and how can we create those things we need in this country?

• (4:50 p.m.)

These institutions lend money to governments. The government of Canada must go to them for the funds which it needs. These companies invest in things that bring the

highest return, so currently they are certainly not investing in municipal bonds which might assist in capital works. We all know that the bond market is in a bad state. These companies are not interested in it. We do not control them, so there is no money for bonds and consequently there is no money for capital works. There is also no money for housing because these companies invest only in mutual stocks and shares from which they can get a large return.

I think we should look into that problem very thoroughly because we will have to come up with legislation to overcome it. Encouragement to institutions such as mortgage loan companies by the Minister of Transport is not going to be enough. We will have to say to them: "So much of your money must go into mortgage money for homes".

Such multinational corporations as the Gaspé Company and General Telephone and Telecommunications are only two of many, but there will be fewer and fewer of them if they grow larger and larger. One of the men who has given a great deal of attention to this problem is the noted economist, John K. Galbraith. He discussed the problems of our future as they relate to bigness in his book called "The New Industrial State". In it, he outlined various features of our society which I will run through rapidly. An increasing amount of time is necessary for new products to be put on the market. There is a diminution of a micro-fraction of the tasks to be performed. Great increases of capital are necessary for anything to be produced, and once the plans are laid there is an inflexibility so far as change is concerned. We cannot make changes rapidly enough. Specialized manpower is needed, and so is a huge bureaucratic organization to put any new product on the market. A great deal of planning and arranging is needed, as well as market stimulation brought about by advertising. The stimulation of want is not what we need any more. We are told what we want through advertising.

We have been very successful in our kind of society, probably more successful than any other previous age or civilization but, as Galbraith states, what counts is not the quantity of goods but the quality of our life. We are constantly faced with the growing alienation of the young—we see this in universities, but not only there. We see this in the dropouts of our society, the hippies, the yippies and the lippies. They are alienated because they do not really have any part in this system which is above and beyond them.

[Mr. Rose.]

I think it is the responsibility of members of parliament to bring this problem to the attention of everyone, but especially to those people who feel that nobody really cares. Parliament has become irrelevant to a great many people, as I found during the last electoral campaign when people said they were not going to vote. When I asked them why, they answered: "What difference does it make?"

The problem of these large industrial multinational corporations is receiving a great deal of attention. Today I received in the mail a notice from the Canadian Chamber of Commerce. The members of my party will pardon me if I read from this document. In it they are announcing their 73rd annual meeting in Puerto Rico on March 14. I certainly hope that the wives of the members attending this business meeting will have the privilege of subtracting their expenses from their income tax. The topic of the meeting is "Productivity Trends and the Multinational Corporation". So other people are becoming concerned, especially the business world, and find it important to study this particular problem. I think we also should be concerned about this problem, especially as it relates to our country, our sovereignty, our political freedom and our identity.

I would like to conclude by saying that our telephone system in Canada has a virtual monopoly in our communications system and it is largely dominated by interests residing outside our national borders. In spite of this we spend millions of dollars every year on the C.B.C. We do all kinds of things to increase our Canadian identity, but we are content to give into hands other than our own this vital link in our communications network. I think this process must be stopped. We must take a determined stand to ensure that it does not happen. Let us consider what is happening with our radio stations. I have here a bulletin from the Broadcasting League which names some 21 stations owned by one man. If I had time I would name them all, but I will spare hon. members this. Our concern about this problem is important because of the opportunity which the communications media have for making propaganda and swaying public opinion to buy and sell certain things. We cannot adopt a laissez-faire attitude with regard to this.

I have tried to outline broadly some of the concerns shared by me, by my party, and also, I hope, by members on the other side of the house, about the trend that is taking place in the business world of our country with regard to the ownership of our country. I may not say it as emotionally as have some people, but that does not mean that I am any the less concerned. I certainly think that a committee should study this bill, but—

Private Bills

The Acting Speaker (Mr. Richard): Order, please. The hour provided for the consideration of private members business has now expired. It being five o'clock this house stands adjourned until Monday, St. Patrick's Day, at 2 p.m. We wish our Irish friends a happy and pleasant week end.

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

HOUSE OF COMMONS

Monday, March 17, 1969

The house met at 2 p.m.

ERIN GO BRAGH

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Today, March 17, is known the world over as St. Patrick's Day, a day set aside in remembrance of St. Patrick, a British missionary who settled in Ireland more than 1,500 years ago.

Although historians credit him with ridding Ireland of snakes, St. Patrick was chiefly devoted to establishing Christian churches in Ireland, which also became centres of learning. At the seat of the kings of Munster on the rock of Cashel, St. Patrick explained his theory of the trinity, using a shamrock, which has been the emblem of Ireland ever since.

I am sure, Mr. Speaker, all members of the house and Irishmen everywhere wish to join with me today in eulogizing Ireland's patron saint.

Some hon. Members: Hear, hear.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Twelfth report of Standing Committee on Finance, Trade and Economic Affairs in French and English—Mr. Gaston Clermont (Gatineau).

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

GUN PERMITS

Question No. 1,268—**Mr. Beaudoin:**

1. By province, how many gun permits are presently in effect in Canada?

2. What is the number of gun permits in Canada in the possession of persons less than twenty-five years of age?

3. How many gun permits were there in 1960 and in each subsequent year?

Hon. G. J. McIlraith (Solicitor General): There are, at present, three basic gun control documents in use; namely, Firearm Registration Certificates, Permits for Minors, and Firearm Permits (Permits to Carry).

Firearm Registration Certificates are only issued by the R.C.M. Police pursuant to the Criminal Code of Canada. Firearm Permits and Permits for Minors are issued pursuant to provincial legislation by municipal or provincial police, or the R.C.M. Police in certain contracting provinces.

The complete statistics for Firearm Permits and Permits for Minors are not available; therefore, only the statistics relating to the Certificates issued by the R.C.M. Police are provided hereunder.

1. Firearm Registration Certificate: Approximately 248,000.

2. No record available.

3. Firearm Registration Certificate: 1960 approximately 192,000; 1961 approximately 199,000; 1962 approximately 206,000; 1963 approximately 213,000; 1964 approximately 220,000; 1965 approximately 227,000; 1966 approximately 234,000; 1967 approximately 241,000; 1968 approximately 248,000.

CONTAINER BERTHS PROGRAM

Question No. 1,284—**Mr. Robinson:**

1. Is it the government's intention to embark on a program to provide container berths and, if so, where will they be located and what is the anticipated cost of each?

2. What commodities is it anticipated will be shipped by containers?

3. Will containers be used in the Great Lakes Waterways?

4. Is it the government's intention to own and operate a fleet of containers and, if so, how many, where will they operate from and what cargo will be carried?

5. What countries will be given a franchise to use a fleet of containers to and from Canadian ports?

6. Will containers be used for transporting (a) grain (b) other solid products (c) oil (d) other liquid products?

Questions

Hon. Paul Hellyer (Minister of Transport): 1. Through the National Harbours Board the Government has been involved in the provision of a container berth at Montreal and modern berths which will be capable of being used for containers are being constructed at Halifax, Nova Scotia. Berths capable of being adapted for containers are available at Saint John, New Brunswick and container facilities are also being provided on an existing pier at Vancouver. In addition a pier is to be adapted for container operation at the City of Quebec. Firm estimates of the cost of these facilities are not available at present.

2. It is expected that containers will initially be employed for general cargoes and that subsequent development will be subject to commercial factors.

3. Yes.

4. No.

5. The existing arrangements for commercial shipping will continue to apply.

6. See answer to (2) above.

RIDGETOWN, ONT., POST BOX RENTALS

Question No. 1,332—**Mr. McCutcheon:**

1. How many contracts for rental of post boxes at Ridgetown, Ontario, for all or part of the 12 months starting February 1, 1969 were entered into between (a) January 1, 1969 and January 21, 1969, and (b) January 21, 1969 and January 31, 1969?

2. How many of the contracts entered into in each of these two periods were at the rates prevailing before January 21, 1969?

3. How many of the contracts entered into in each of these two periods were at the rates announced on January 21, 1969?

4. Is it the policy of the post office to request additional rent from those who contracted to use post boxes at Ridgetown, Ontario after February 1, 1969, but who entered into these contracts before January 21, 1969?

5. How many communications have been received protesting requests for additional rent from those who contracted to use post boxes at Ridgetown, Ontario after February 1, 1969, but who entered into these contracts before January 21, 1969?

6. How many people who rented to February 1, 1971 post office boxes at Ridgetown, Ontario, paying rates prevailing as of December 31, 1968 had the expiry date of their contracts changed by the Post Office Department to read February 1, 1970?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. (a) 163; (b) 23.

2. (a) January 1 to January 20—132; (b) January 21 to January 31—Nil.

3. (a) January 1 to January 20—31; (b) January 21 to January 31—23.

[Mr. Robinson.]

4. Persons who paid in advance at the former rates for post office lock box rentals for the year beginning February 1, 1969 were requested to pay the difference between the former rates and the new rental rates which became effective February 1, 1969. Refunds are being made of the additional amounts collected.

5. Twenty five communications have been received.

6. Eight.

SUMMIT DEPOT, N.B., RESEARCH STATION

Question No. 1,347—**Mr. Corbin:**

1. How many students have been employed at the Department of Forestry summer research station at Summit Depot on the Green River in Madawaska-Victoria constituency, during the summers of 1965-66-67-68?

2. What is the normal duration of employment?

3. How many students were from (a) Madawaska-Victoria constituency (b) New Brunswick (c) other provinces?

4. How many requests for employment were received for each year mentioned above and how many were rejected?

5. What special qualifications are required?

6. What is the average pay?

Mr. E. F. Whelan (Parliamentary Secretary to the Minister of Fisheries): 1. 1965, 23; 1966, 20; 1967, 28; 1968, 27.

2. 17 weeks, although a few may be hired for shorter periods to do a specific job.

3.	(a)	(b)	(c)
1965	15	7	1
1966	12	4	4
1967	16	11	1
1968	17	9	1

4. Students have been hired through the Public Service Commission up to and including 1968, hence the Department of Fisheries has no record of those who have applied. In 1969, hiring will be done through Manpower Centres of the Department of Manpower and Immigration.

5. Normally 90 per cent of those employed are required to be university students with a background in forestry and biology, and the remainder are from other university faculties or technical schools.

6. The pay rate ranges from about $300 to $640 monthly, depending on the student's qualifications and experience; the average in 1968 was approximately $360.

Questions

SMOKING PRIVILEGES ON CANADIAN NATIONAL TRAINS

Question No. 1,349—**Mr. Corbin:**

1. Has the Canadian National Railways abolished "no smoking permitted" sections in railway coaches and, if so, for what reason?

2. Has the CNR received any complaints about general smoking in coaches and, if so, how many?

3. Is any action contemplated to restrict smoking to certain sections only, of railway coaches and sleepers?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian Railways advises as follows: 1 and 3. As a result of improvements in air conditioning and ventilating systems, the restriction on cigarette smoking in passenger carrying equipment used in inter city service has not been enforced in many years. However, smoking is not permitted on commuter trains operating in certain areas where older type of equipment is in use.

2. Very few.

FISH HATCHERIES AND REARING STATIONS

Question No. 1,352—**Mr. Corbin:**

1. How many federal government fish hatcheries or fish rearing stations have been closed since 1958 (a) in each province (b) at what locations, and (c) for what reasons?

2. How many fish hatcheries or fish rearing stations have been (a) opened (b) re-opened (c) enlarged, and in what localities?

Mr. E. F. Whelan (Parliamentary Secretary to the Minister of Fisheries): 1. (a) Prince Edward Island, 1; New Brunswick, 2; Nova Scotia, 6. (b) and (c): Kelly's Pond, P.E.I., Became uneconomic because of small size and seasonal operation; Grand Falls, N.B., Silt affected water, and its primarily salmon production was superseded by Mactaquac; Haley Brook, N.B., Became uneconomic because of small size and seasonal operation; salmon production superseded by Mactaquac; Bedford, N.S., Contaminated water; Sackville Ponds, N.S., Retention facility for Bedford; Middleton Hatchery, N.S., Became cheaper to incubate eggs elsewhere; Nictaux Ponds, N.S., Insufficient water for economical operation; Grand Lake, N.S., Contaminated water; Lindloff, N.S., Required major rebuilding; capacity replaced more economically elsewhere.

2. (a) 1—at Mactaquac, N.B.; (b) Nil; (c) 8—at Cardigan, P.E.I.; Saint John and Hales Brook (Charlo), N.B.; Antigonish, Coldbrook, Margaree, Kejimkujic and Mersey, N.S.

SYDNEY-HALIFAX—MONTREAL RAILWAY SERVICE

Question No. 1,353—**Mr. Corbin:**

1. Since the inauguration of a passenger train between Sydney-Halifax and Montreal by way of Edmundston in June 1967, how many passengers were (a) from Edmundston (b) from Moncton (c) from other Maritime regions?

2. Does the revenue of this train cover the cost of its operation?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: It has not been the practice nor is it considered in the best interests of the Company to disclose information of a nature which would be of value to its competitors.

DERAILMENTS ON CANADIAN NATIONAL, EASTERN CANADA

Question No. 1,354—**Mr. Corbin:**

1. How many derailments occurred on the Canadian National lines in Eastern Canada for each of the years 1965 to 1968 inclusive (a) of freight trains (b) of passenger trains?

2. How many derailments occurred in the Chaleur area of the Atlantic Region in the same years (a) how many deaths resulted, and (b) how many were injured?

3. How many of those killed or injured were (a) employees (b) passengers?

4. In the case of freight shipments in each of the above-mentioned years, what was the total value (a) in freight (b) in rolling stock, lost?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. As reported to the Canadian Transport Commission. (a) Freight trains: 1965, 76; 1966, 65; 1967, 54; 1968, 80. (b) Passenger trains: 1965, 13; 1966, 15; 1967, 12; 1968, 18.

2. 1965, 17; 1966, 14; 1967, 16; 1968, 24. (a) Deaths, nil; (b) Injuries, 4.

3. Killed, nil; Injured, (a) Employees, 3; (b) Passengers, 1.

4. (a) Statistics are not maintained in a manner that would enable the Company to answer the question in the form asked. (b) 1965, $141,759; 1966, $46,813; 1967, $500,-211; 1968, $560,364.

DERAILMENTS, CHALEUR AREA, ATLANTIC REGION

Question No. 1,355—**Mr. Corbin:**

1. How many freight car derailments occurred in the Chaleur area of the Atlantic region from June to December 1968?

2. What was the cause of these derailments?

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3. What was the precise location of each of these derailments?

4. How many man-hours were required to restore the track to operating conditions after each one of these derailments?

5. What is the maximum speed authorized on these tracks under ideal climatic conditions (a) for freight trains (b) for passenger trains?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. As reported to the Canadian Transport Commission, 14.

2. 3, 4 and 5.

Cause of Derailment	Location	No. of Manhours Required to Restore Track	Maximum Speed Freight Trains	Maximum Speed Passenger Trains
Burnt Journal	Mileage 96.6 Monk Subdivision	1610	50	55
Burnt Journal	Mileage 78.6 Monk Subdivision	486	50	55
Surge of Power Forced Draft Gear Sideways Causing North Rail to Turn Over	Mileage 67 Newcastle Subdivision	54	50	55
Burnt Journal	Mileage 141.75 Napadogan Subdivision	713	40	60
Series of Low Joints Caused Wheel to Mount Rail	Mileage 4.0 St. Quentin Subdivision	554	25	25
Track Buckled Due to Expansion From Excessive High Temperatures	Mileage 122.1 Monk Subdivision	4527	40	50
Broken Journal	Mileage 184.3 Napadogan Subdivision	638	45	55
Journal Failure	Mileage 49 Napadogan Subdivision	30	45	55
Burnt-Off Journal	Mileage 182.5 Napadogan Subdivision	2716	45	55
Tractor Trailer Struck Side of Engine	Mileage 74.66 Miramichi Subdivision	139	25	25
Journal Failure	Mileage 18.6 Newcastle Subdivision	3429	65	75
Track Structure and Type of Car Caused Rolling	Mileage 73.5 Cascapedia Subdivision	866	20	45
Broken Wheel	Mileage 80.2 Monk Subdivision	525	40	50
Automobile Struck 29th Car of Train	Mileage 164.3 Newcastle Subdivision	4321	60	65

[Mr. Corbin.]

VICTORIAVILLE, QUE., PUBLIC BUILDING

Question No. 1,384—**Mr. Fortin:**

1. Will a federal government building be constructed at Victoriaville and, if so (a) what is the approximate date for construction work to begin (b) what will be the approximate cost of the project?

2. Will this building house all federal government services?

3. What federal government services are involved?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes, (a) During the 1970-71 fiscal year, subject to approval of funds by parliament; (b) It is not customary to reveal estimated costs of a project before tenders are called.

2. Yes, for those government departments and agencies requiring space in Victoriaville.

3. Post Office Department; Customs and Excise Offices; Unemployment Insurance Commission; Manpower and Immigration; and Department of Agriculture.

[*English*]

NORDAIR SERVICE TO HALLBEACH, N.W.T.

Question No. 1,388—**Mr. Yewchuk:**

1. Has the Canadian Transport Commission recently approved at 73% freight rate increase for services provided by Nordair to Hallbeach in the Northwest Territories?

2. Were any public hearings held with respect to this increase of freight rates?

3. Were the people of Hallbeach consulted by Nordair?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: 1. The Canadian Transport Commission does not approve rates: it accepts the filing of tariffs by carriers subject to complaint and investigation. The Commission accepted for filing from Nordair Ltd. a tariff publishing an increase of 73 per cent in the general commodity rate from Montreal to Hall Beach, effective January 16, 1969.

2. No.

3. Nordair Ltd. reported to the Commission that it had advised their northern customers, following a review of costs, traffic and revenue, that it intended to increase some rates.

CHAPLAINS IN PENITENTIARY SERVICE

Question No. 1,434—**Mr. Howard (Skeena):**

1. For each year since and including 1958, how many chaplains were in the employ of the penitentiary service on a full time basis?

2. Do any assessments exist of the contribution which such Chaplains may have made towards the rehabilitation of inmates and, if so, at what times were such assessments made and what are the details thereof?

Hon. G. J. McIlraith (Solicitor General): 1. 1958, 13; 1959, 13; 1960, 15; 1961, 15; 1962, 16; 1963, 16; 1964, 16; 1965, 17; 1966, 24; 1967, 26; 1968, 27.

2. There are no assessments as such but the Chaplain is a member of the team working at re-orienting the inmate in the correctional and other related fields of rehabilitation.

TROIS RIVIÈRES, QUE., EXCISE TAX AUDITOR

Question No. 1,471—**Mr. Mongrain:**

1. On what date did the Public Service Commission of Canada announce a competition for the post of Excise Tax Auditor in the Department of National Revenue, Trois-Rivières, Excise Tax District?

2. How many people applied in this competition?

3. What are the names and present addresses of each applicant?

4. Who finally obtained the position and where had he been employed previously?

Hon. Gérard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission: 1. This position was advertised December 8, 1968, through the publication of a poster announcing Competition No. 68-M-152, for Auditor 2.

2. Twelve.

3. Section 25 of the Public Service Employment Regulations provides that the name of a person who is a candidate for a position, unless his name is on an eligible list established for that position, shall not be disclosed without his consent to any person who is not directly involved with the process of selection for appointment to the position.

4. No eligible list has yet been established as a result of Competition 68-M-152 for Auditor 2, and no appointment has as yet been made to the position.

PAYMENTS UNDER FRANKED MAIL VOTE

Question No. 1,503—**Mr. Dumont:**

What amounts were paid to the Post Office Department under the Vote "Carrying of Franked Mail" during the year 1968-1969 and what amounts were provided for under this heading in the 1969-1970 Estimates by the (a) Department of Transport (b) Secretary of State Department (c) Veterans Affairs Department (d) Privy Council (e)

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Department of National Revenue (f) Department of Public Works (g) Department of Agriculture (h) Department of Manpower and Immigration (i) Department of National Health and Welfare (j) Department of Energy, Mines and Resources (k) Department of External Affairs?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned—The following amounts are not paid to the Post Office Department, but are shown in the Estimates Book each fiscal year against the entry "Carrying of Franked Mail (Post Office Department)" under the heading "Approximate Value of Major Services not included in these Estimates".

	1968-69 $(000's)	1969-70 $(000's)
Department of Transport	161	210
Secretary of State Department	35.7	64
Veterans Affairs Department	73.6	101
Privy Council	9.8	16
Department of National Revenue	681	861
Department of Public Works	49.8	55
Department of Agriculture	389.6	455
Department of Manpower and Immigration	97.4	185
Department of National Health and Welfare	120	187
Department of Energy, Mines and Resources	124.7	181
Department of External Affairs	125.5	86.9

HOUSING, 1968

Question No. 1,510—**Mr. Gilbert:**

1. What was the number of housing starts and completions for 1968 and how many were single-detached, semi-detached and duplex, row and apartments?

2. What was the amount of financing for new housing in Canada for 1968 from (a) NHA insured loans (b) conventional institutional loans (c) other NHA direct loans (d) other NHA programs (e) other?

3. (a) What is the vacancy rate in apartment structures comprising six-dwelling units or more, in major cities across Canada for 1968, by month (b) what is the median size of vacant apartments in the above category (c) what is the median rent of vacant apartments in the above category (d) what is the vacancy rate for single-family dwellings, duplexes and apartments with less than six dwelling units, in major cities across Canada for 1968, by month (e) what is the median sale price of single family dwellings in the above category (f) what is the median rent of vacant duplexes and apartments in the above category?

4. (a) What was the median sale price of NHA financed single-family dwellings sold by builders in major cities across Canada in 1968, by month (b) what is the median price of a fully-serviced lot used for NHA financed single-family dwellings in major cities in 1968, by month (c) what is the percentage change in the price of these lots since 1960, by major cities?

5. (a) Of the apartment structures (six or more dwelling units) completed in 1968, how many were under NHA (b) what was the cost per unit (c) what was the income classification of the tenants?

6. What was the average family income of purchasers of NHA single-family bungalows in 1968, by month?

[Mr. Dumont.]

7. What was the total value of requests for home improvement loans in 1963, 1964, 1965, 1966, 1967, 1968 and what was the average loan granted, by province?

8 (a) How many requests were made for NHA financed apartment units in 1968 (b) how many were approved (c) of the above, how many were low-rental units (d) for those requests not approved, what were the reasons given?

9. How many and what was the value of the requests for NHA public housing programs by province, by major cities, in 1968, and if any, what were the chief reasons for requests not approved by NHA?

Hon. Paul Hellyer (Minister of Transport): The information requested in this question will be available near the end of March, 1969, in the "Annual Report" and "Canadian Housing Statistics", published by Central Mortgage and Housing Corporation.

SALARY OF CANADIAN NATIONAL PRESIDENT

Question No. 1,527—**Mr. Coates:**

What is the present salary of the President of the Canadian National Railways, and on what date was that salary determined?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: Pursuant to Section 7(1) of the Canadian National Railways Act, being Chapter 29 of the Statutes of Canada 1955, the appointment of the incumbent President was approved by Order in Council P.C. 1966-1890 dated September 29, 1966,

effective January 1, 1967, at an annual salary of $70,000.

EQUIPMENT OF EASTERN PROVINCIAL AIRWAYS

Question No. 1,564—**Mr. MacLean:**

1. Has Eastern Provincial Airways advised the Canadian Transport Commission that it intends to use DC-9 equipment on its Charlottetown-Montreal route?

2. If so, when will this equipment be in service?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: 1. No.

2. Not applicable.

CANADA—TOKYO TRAVEL REGULATIONS

Question No. 1,569—**Mr. Anderson:**

Is it the government's intention, in the interests of economy, to alter the ruling whereby all Civil Servants, regardless of position, travelling between Canada and Tokyo or other points in Asia, travel first class?

Hon. C. M. Drury (President of the Treasury Board): The government Travel Regulations are currently the subject of consultation in a committee of the National Joint Council of the Public Service of Canada. Among the items being discussed by the employer and staff associations are the facilities of modern aircraft and appropriate travel standards in relation to them. It should be noted that not all public servants travel first class between Canada and Asia. At present, the matter is left to the discretion of the deputy minister concerned who makes a judgment based on the rank of the employee, the length of the continuous journey, and potential hazards to health.

NATIONAL DEFENCE SUPPORT PROGRAMS

Question No. 1,571—**Mr. Robinson:**

1. Does the Department of National Defence provide subsidies and/or support programs for any segment of the economy, groups or individuals inside Canada and, if so, to what extent, in what amounts, and to whom are the amounts paid?

2. What amounts have been paid for subsidies and/or support programs during each of the years 1960-68 inclusive?

Hon. Léo Cadieux (Minister of National Defence): 1. No.

2. Not applicable.

P.E.I. WINTER WORKS EXPENDITURES

Question No. 1,577—**Mr. MacLean:**

1. What was the amount spent under the Winter Works Program in the Province of Prince Edward Island for each of the fiscal years from 1964-65 to 1968-69 inclusive?

2. What is the amount, if any, to be spent in that Province under the Winter Works program in the fiscal year 1969-70?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Payments made under each winter's program which extended from November 1 to April 30 were as follows:

	($'000)
1963-64	217
1964-65	273
1965-66	427
1966-67	645
1967-68 (ended March 31)	172

1968-69—Not Applicable.

2. None. The program was discontinued after 1967-68.

REPRESENTATIONS RESPECTING POST OFFICE BOXES

Question No. 1,584—**Mr. Mather:**

How many representations to date have been made to the Postmaster General and/or the Post Office protesting the increase in post office lock boxes?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: Postmaster General, 192; Department, 55.

P.E.I.—HEALTH GRANTS EXPENDITURES

Question No. 1,594—**Mr. MacLean:**

1. What amounts were spent under the National Health Grants programme for health services and hospital construction in the Province of Prince Edward Island for each of the fiscal years from 1964-65 to 1968-69 inclusive?

2. What is the amount, if any, to be spent through this programme in the Province of Prince Edward Island in the fiscal year 1969-70?

3. What amounts were contributed to that Province in all other welfare shared-cost programmes during the fiscal years from 1964-65 to 1968-69 inclusive?

4. What is the amount estimated to be spent under these programmes in the fiscal year 1969-70?

Hon. John C. Munro (Minister of National Health and Welfare):

		1964–65	1965–66	1966–67	1967–68	1968–69	Estimated 1969–70
1. and 2.		$ 373,559	605,901	604,207	425,630	522,089	379,815
3. and 4.	*Welfare Shared-Cost Prog.*						
	Old Age Assistance	$ 508,587	498,378	390,463	205,735	18,806	NIL
	Blind Persons Allowance	51,020	47,372	46,142	45,639	41,636 (Est)	45,000
	Disabled Persons Allowance	360,150	349,881	368,992	176,869	19,436 (Est)	16,000
	Unemployment Assistance	280,773	402,611	604,675	23,274	10,141	—
	Canada Assistance Plan	N/A	N/A	NIL	1,738,858	2,607,232	2,890,000
	National Welfare Grants	$ 715	11,271	36,393	20,852	39,125	25,000
	Fitness and Amateur Sports	56,263	36,897	35,899	33,876	*47,598	38,092

* The amount shown for 1968–69 represents the total allocation to P.E.I. for the fiscal year $38,092 which the Province indicated would be totally expended plus $9,506 which represents a reimbursement made to the Province during the current fiscal year for expenditures incurred during the 1967/68 fiscal year.

MILITARY PERSONNEL IN ARCTIC

Question No. 1,605—**Mr. Muir (Cape Breton-The Sydneys):**

1. What is the present total complement of Canadian military personnel in the Arctic?

2. How many Canadian military bases are now being maintained in the Arctic, i.e., North of provincial boundaries, where are they located, and what is the total military personnel of each base?

3. What is the total complement of American military personnel now stationed in the Canadian Arctic?

4. How many Canadian Arctic exercises have been carried out by Canadian military personnel in the 1968 calendar year (a) in what areas of the Canadian Arctic were such exercises carried out, and (b) how many troops were involved in each case?

5. How many Canadian Forces military exercises have been carried out under tropical conditions, in what areas in the calendar year 1968 and what numbers of troops were involved in each case?

Hon. Léo Cadieux (Minister of National Defence): 1. As of 28 February, 1969, there were 400 Canadian Forces personnel stationed in the Northwest Territories.

2. Two Canadian Forces Stations, Inuvik and Alert, with 182 and 198 military personnel respectively.

3. 13.

4. One (a) Fort Churchill; (b) 40.

5. One (a) Vieques Island, Puerto Rico; (b) 700.

REPLACEMENT FOR "TRACKER" AIRCRAFT

Question No. 1,628—**Mr. Forrestall:**

Is it the intention of the Department of National Defence to replace the "Tracker" aircraft presently in use by Maritime Command after they have been phased out of operation in a few years?

Hon. Léo Cadieux (Minister of National Defence): It is the intention to operate CS2F "Tracker" aircraft well into the 1970s. When a decision is made to phase out these aircraft, the form their replacement should take will be a matter for study.

REPLACEMENT FOR "ARGUS" AIRCRAFT

Question No. 1,629—**Mr. Forrestall:**

Is the Department of National Defence presently giving active consideration to the question of a follow-on replacement aircraft for the "Argus" presently in use by Maritime Command?

Hon. Léo Cadieux (Minister of National Defence): Yes.

CANADIAN SECURITIES COMMISSION

Question No. 1,657—**Mr. Fortin:**

1. What stage has been reached in the establishment of a Canadian securities commission?

2. When will a bill respecting securities be introduced?

3. Will the experts' report be tabled and, if not, for what reason?

4. What point has been reached in negotiations with the provinces with regard to the trading of securities?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. Proposals were discussed at the last meeting of the Federal-Provincial Committee of Officials on Financial Institutions and Securities Regulations which was held in Ottawa, on October 25, 1968. It was agreed that the federal government would have further discussions with the provinces. When these discussions have been completed, legislation will be introduced for consideration by Parliament.

2. Before the end of the current Session of Parliament, as indicated by the President of the Privy Council on February 20th.

3. No. The various papers that were prepared on this question are considered to be of a confidential character which would preclude their publication.

4. The discussions with the provinces are continuing.

NEPEAN TOWNSHIP FEDERAL BUILDING SITES

Question No. 1,671—**Mr. Code:**

1. Did the Department of Public Works between 1949 and 1957 acquire land by expropriation or otherwise in Lots 31 to 35 in the Second Concession, Rideau Front, of the Township of Nepean, as a site for future government buildings?

2. If so (a) what was the total acreage so acquired (b) what was the total price paid for such acreage (c) from what persons was such land acquired (d) what was the acreage acquired from each such person (e) what was the total amount paid to each such person?

3. At the time of the acquiral of these lands, for what particular use were they intended?

4. Has any of the said land been sold or otherwise disposed of?

5. If so (a) to whom has it been sold or disposed of (b) what acreage to each such person (c) what was the total price paid by each such person for each parcel so acquired (d) what was the reason for each such sale?

6. Was the sale or disposition of these parcels the result of public advertised tenders?

7. If so (a) on what date or dates were the tenders advertised (b) in what media were they advertised (c) what tenders were received (d) what was the amount of each tender?

Questions

8. If not (a) by what technique was the sale or disposition of these parcels accomplished (b) what persons were informed of the prospective sale or disposition (c) how were the purchasers chosen?

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. (a) 435.92 acres; (b) $581,186.

(c) Acquired from	(d) Acreage	(e) Amount paid
Donald J. McKay	4.85	$ 8,000
Estate of George Joseph	12.08	16,500
Roman Catholic Episcopal Corporation	51.00	50,000
William E. Troome	4.79	10,836
Estate of George Larke	52.00	58,850
Estate of Warwara Spirak	28.50	45,000
Harry Leiken	28.00	56,000
Estate of Hugh S. Davidson	86.10	131,000
George S. Annand	167.60	205,000

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3. Site for future government buildings.

4. Yes.

5. (a)

Name	(b) Acreage	(c) Price	(d) Reason
County of Carleton	5.545	No charge	Road widening purposes
City of Ottawa	.22	$ 930	Road widening purposes
Roman Catholic Episcopal Corporation	2.00	17,600	Construction of church to serve surrounding area

6. No.

7. Not applicable.

8. (a), (b), and (c). The purchasers were not chosen but made application on their own behalf through Crown Assets Disposal Corporation.

ARDA PROJECT 22024

Question No. 1,677—**Mr. Corbin:**

1. Where is ARDA Project 22024 located and what is the purpose of the project?

2. Is the provincial government in Nova Scotia involved and, if so, to what extent?

3. Has the only federal participation of a financial nature been under the ARDA programme?

4. Since the beginning of the project, what amounts of federal money have been expended in each year and for what purposes were the payments made?

5. Were the accounts for which payments were made certified by the provincial government and, if so, by whom?

6. Were the accounts for which payments were made audited on behalf of the Government of Canada?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. Near Digby, Nova Scotia. The purpose is to determine the economic feasibility of a large farm unit engaged in the production and marketing of vegetables and small fruits.

2. Yes. The province shares one-half of the cost.

3. Yes.

4. Federal expenditures for salaries, travel supplies and miscellaneous items: 1966-67, $9,351; 1967-68, $8,810; 1968-69, $12,178, (to date).

5. Yes; by the provincial auditor general.

6. Yes. (1967-68—underway; 1968-69—after end of fiscal year).

COMPENSATION TO MR. DAVID PRICE

Question No. 1,680—**Mr. Diefenbaker:**

1. Has payment or compensation been made to Mr. David Price, formerly a lecturer at College Militaire Royale de Saint-Jean since the Cohen findings of the Cohen Commission on his case were made?

2. If not, why?

Hon. Léo Cadieux (Minister of National Defence): 1. No.

2. A submission recommending approval of *ex gratia* payments to Mr. Price and his solicitor has been under consideration, but as Mr. Price's solicitor has indicated he has instructions to institute court action against the Crown, the matter has been referred to the Deputy Attorney General of Canada for an opinion as to the Crown's legal liability to Mr. Price.

[Mr. Code.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

PERSONNEL IN OFFICES OF MINISTERS

Question No. 751—**Mr. Schreyer:**

How many persons are attached, and at what levels of classification and pay, to (a) the Prime Minister's Office (b) the Ministers of the various Departments (c) the heads of Crown Corporations?

Return tabled.

WATER POLLUTION IN NEW BRUNSWICK

Question No. 1,351—**Mr. Corbin:**

What is the total of contributions by the federal government to help fight water pollution in New Brunswick for the years 1965-66-67-68?

Return tabled.

ORAL QUESTION PERIOD

NATIONAL DEFENCE

ANTI-MISSILE INSTALLATIONS—EFFECT ON CANADA OF U.S. INTERCEPTION SYSTEM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, out of respect for St. Patrick I am not going to ask the Prime Minister a question about housing today, but I should like to ask the right hon. gentleman whether his government has studied the decision by the President of the United States to build an anti-missile defence system and if the government of Canada has considered the possible implications for Canada of the President's decision?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have begun to consider the consequences of that decision, which was announced only at the end of last week. I am not in a position today to indicate the considerations which might follow from it, except perhaps to say that we are of the view that the important factor to consider in all this is that we ought to avoid an escalation of nuclear weapons. That remains our position. We are not yet in a position to say where, in our view, the decision that has been taken will lead.

Mr. Stanfield: A supplementary question, Mr. Speaker. Since the installation of the new system will mean that interceptions will take place over Canada, is the Prime Minister free to tell the house whether the government of the United States consulted the government of Canada on this matter and whether Canada made any representations to the United States in this regard.

Mr. Trudeau: Well, Mr. Speaker, there has been consultation on this at various stages. But I am not prepared today to state that the considerations of Canadian safety which might follow from this position are more important than considerations of the safety and future of the world. In other words, I do not want to be put in the position where, in arguing the Canadian point of view from the standpoint of considerations of fallout in Canada, we should be precluded from saying that we do not want this kind of defence at all. I hope that is clear. I do not want to argue the Canadian case if it means a little more protection for us and therefore less protection for the peace and future of the world. Therefore I cannot answer the question.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Considering that Mr. George Ignatieff, our chief disarmament negotiator, has stated that Canada is in the most dangerous position of any country, the danger stemming from the arms race between the United States and the U.S.S.R, and that advances in weapons technology, presumably including the A.B.M. system, require further studies and are not being studied as they ought to be, and considering that Canada is most vitally interested in this matter, is it the intention of the government to set up an interdepartmental task force or take other action to ensure that it is fully conversant at all times with the implications for Canada of these new weapons developments?

Mr. Trudeau: I repeat, Mr. Speaker, that this kind of consideration has been given by the Canadian government at previous stages, according to the knowledge we had then. With a new announcement we will continue the consideration. I repeat however that Canadian interest is not more important than the interest of humanity in this subject. I do not want to take a position which, by promoting Canadian interests, would mean we are approving any United States escalation of anti-ballistic missiles. I do not want, in other words, to negotiate with the United States for a little more protection for Canada, if I feel that that protection is such that it might entail more danger for the whole world.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Since the first two A.B.M. bases to be established will be at Grand Forks, North

Dakota and Great Falls, Montana, both close to the Canadian border, may I ask the Prime Minister whether there was any consulation, or whether prior information was given to him or any department of the government before President Nixon made his announcement that the United States was considering establishing these A.B.M. bases.

Mr. Trudeau: No, Mr. Speaker. We were notified of the decision, but there was no consultation in the sense that we might have been in a position to change the decision.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question, Mr. Speaker. Since any interception of Soviet missiles will in all probability take place over Canadian soil, may I ask the Prime Minister whether the government intends to hold discussions with the United States government in order to safeguard the interests of the Canadian people?

Mr. Nielsen: They may be Chinese missiles.

Mr. Trudeau: Mr. Speaker, the leader of the N.D.P. is asking me to repeat the answer I have just given to the leader of the opposition.

Mr. Speaker: Order please. I wonder if the Chair might allow the right hon. member for Prince Albert to ask a supplementary question?

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker. The Prime Minister is under the misapprehension that I am asking the question asked by the leader of the opposition. I am asking if there will be—not if there have been—discussions between the government of Canada and the government of the United States on this important matter.

Mr. Trudeau: I said that there had been consultation, Mr. Speaker, in the sense that the United States had kept us informed at various stages, and that we were going to discuss it. I repeat once again, I do not think the problem of Canadian interest, or even the constituency of the right hon. member who sits to the right of the leader of the New Democratic party, takes first place over the interest of peace and sanity in the world. I am not interested in protecting a few Canadian cities if this means we will be consenting to a kind of policy which we think is dangerous to the world.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Prime Minister if any facilities of NORAD, particularly the warning systems, will be integrated with these anti-ballistic missiles? If so, is Canada to be consulted with respect to the use of the NORAD facilities?

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

Mr. Trudeau: Of course Canada would have to be consulted before this system is integrated, if it were to be integrated into NORAD. The present situation is that NORAD does not cover the anti-ballistic missiles, and it could not cover the anti-ballistic missiles system without our giving consent.

Right Hon. J. G. Diefenbaker (Prince Albert): The Prime Minister has said, Mr. Speaker, that proliferation of nuclear weapons is one thing to which he is strongly opposed. I am glad to note the change in attitude since 1963 in that regard on the part of the Liberal government. I would like to ask the Prime Minister if any consideration is being given to placing before the United States the suggestion that, instead of having these installations at Grand Forks, North Dakota and Maelstrom air force base in Great Falls, Montana, they be placed farther south. According to the President of the United States, they are to be placed in these locations. This will mean that incoming Russian missiles aimed at these two bases would actually bring about fallout in an area stretching from Penticton to Edmonton, then to Saskatoon, north to Prince Albert and also to Lake Winnipeg and Fort William.

Mr. Speaker: Order, please.

Mr. Trudeau: The questions from the opposition, Mr. Speaker, all seem to lead to the same thing. They want to protect a particular city. I am more interested in seeking a situation wherein the policy followed by the United States is one that protects all of humanity, not the people of Prince Albert alone. The truth of the matter is that if these installations are used, the whole policy will have failed, as will have humanity. This kind of secondary question, whether one city is covered or not—

Mr. Diefenbaker: May I rise on a question of privilege? There was no such suggestion. The suggestion was that if these two bases were moved farther south into the United States, then the fallout would be over the United States instead of covering the area of western Canada.

Mr. Speaker: Order, please. I would suggest to the right hon. gentleman and the Prime Minister that this is argumentative. I wonder whether we might go on to the next subject?

POST OFFICE DEPARTMENT

EFFECT OF CASUAL EMPLOYEES ON POSITION OF INSIDE WORKERS

Mr. Arnold Peters (Timiskaming): I would like to direct a question to the Postmaster General. In view of the statements made today by the inside postal workers of an explosive situation developing because of the preponderance of casual employees, has the Postmaster General any statement to make with regard to this matter?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have just arrived from Toronto and I have not seen the statement. As hon. members know, I dislike the use of the words "explosive situation". A situation may be difficult or critical but it becomes explosive only when one side or the other refuses to adjudicate or discuss, and decides it will go for illegal or irresponsible activity. I do not expect that in this case.

This afternoon the officers of the department will be discussing the letter with me, and they will also be discussing with the officers of the Ottawa Post Office Unions the reasons which caused them to send such a letter and the problem concerning the use of casuals.

We have been using casuals since the beginning of time, Mr. Speaker, since the bulk of the work in the Post Office comes at different periods, early in the morning and late at night, and it is difficult not to employ casuals to take care of peak periods. However, this is a problem that we are willing to discuss fully with the unions.

Mr. Peters: As a supplementary question will the minister investigate the reasoning behind the fact that there are more casual employees in the Post Office in Ottawa than there are regular employees, and give a justification for this situation?

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I was just going to ask the minister whether we could have a little less philosophy and a little more information?

Mr. Speaker: The hon. member for Fraser Valley West.

Mr. Mark Rose (Fraser Valley West): As a further supplementary, will the minister investigate how much Post Office inefficiency is due to the preponderance of casual employees inside the Post Office? Will he also investigate recent charges by the inside workers of nepotism—

Inquiries of the Ministry

Mr. Speaker: Order, please. The hon. member for Compton.

REFERRAL OF OUTSTANDING ISSUES TO MEDIATION PROCEDURES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a non-explosive question for the Postmaster General. Arising from the undertaking given to the house by the minister on Thursday that he would call Mr. Decarie to discuss with him whether there are other issues that the unions would like to have submitted to grievance procedure, will the minister advise the house whether he has been in touch with Mr. Decarie and whether he is in fact determined that there are issues outstanding not covered by the grievance procedure?

Mr. Kierans: I am meeting with Mr. Decarie at five o'clock this afternoon.

Mr. Macquarrie: Mr. Speaker, may I ask a one sentence supplemental. In the light of the decision by the minister to withdraw the application to have the work stoppage declared illegal, and the application for consent to prosecute employees, and arising from the subsequent statement by the unions that "this on again off again procedure by the employer leaves the unions no choice but to hold Treasury Board responsible for all expenses incurred"—

Mr. Speaker: Order, please.

[*Translation*]

BANKRUPTCY

SHARING OF LOSS THROUGH INSURANCE PROCEDURES

Mr. Henry Latulippe (Compton): Mr. Speaker, my question is for the Prime Minister.

Since the great increase in the number of commercial bankruptcies also leads to a good number of industrial bankruptcies involving average and small enterprises mostly, would he consider establishing a shared-cost insurance plan similar to crop insurance for farmers, to protect industry and the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could ask the minister who deals with bankruptcies to consider the problem. He is not here today; he has gone bankrupt.

Inquiries of the Ministry

[*English*]

GRAIN

WHEAT—PRICE RECOMMENDATION FROM NATIONAL COUNCIL

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the recent decision to lower the price for Canadian wheat, was a recommendation sought from the national Grains Council on this question before the decision was made?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, no formal request was put before the Canada Grains Council.

Mr. Korchinski: As a supplementary question, now that the decision has been made will the Grains Council be asked to submit a recommendation on what course farmers should follow in this and subsequent years with respect to seeding and so forth?

Mr. Olson: Mr. Speaker, that is the kind of guidance that farmers all over Canada are seeking because of the market situation. However, I do not think that any one group, whether it be the Canada Grains Council or another, has all the wisdom to see into the future on these matters. We will be as helpful as we can in providing western Canadian farmers with as much information as is possible relevant to future marketing prospects.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Now that the price of Canadian wheat is falling about ten cents a bushel or more, can the minister say whether he will try to resurrect the old speeches in which he spoke of a two-price system.

WHEAT—ATTENDANCE AT MEETING OF PRICES REVIEW COMMITTEE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary question is addressed to the Minister of Agriculture. In light of the statement made by the Minister of Industry, Trade and Commerce on Friday to the effect that the I.G.A. is now inoperative for the time being can the minister say whether he or top officials from his department will be attending a meeting of the prices review committee of the International Wheat Council which is slated to take place this week?

Hon. H. A. Olson (Minister of Agriculture): I will not be attending that meeting, but senior officials from the Department of Industry, Trade and Commerce and from the Department of Agriculture are there.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the meeting of the prices review committee and the uncertainty in respect of the situation, can the Minister of Agriculture say whether the government is giving consideration to the re-establishment of a guaranteed minimum price for wheat to Canadian farmers?

Mr. Olson: The government is considering many things that will be helpful in this serious situation.

FINANCE

SEARCH IN EUROPE FOR CAPITAL

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Prime Minister and ask him if it is a fact that the Minister of Indian Affairs and Northern Development is now touring Europe in search of foreign capital for Canada?

Mr. Speaker: The question cannot be asked in those terms. An hon. member cannot ask the Prime Minister to deny or affirm a statement or suggestion.

Mr. Hales: Mr. Speaker, may I ask the Prime Minister whether the Minister of Indian Affairs and Northern Development is now touring Europe in search of foreign capital for Canada? I assume my question deserves an answer. It is a simple question.

Mr. Speaker: The question may deserve an answer but the hon. member knows what the rules are.

[*Translation*]

AGRICULTURE

POLICY OF DAIRY COMMISSION

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I have a question for the Minister of Agriculture.

Is he in a position to advise the house when the Canadian Dairy Commission will announce its policy for the fiscal year 1969-70?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Not today, Mr. Speaker, but I hope we will in a very few days.

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, by this answer does the minister mean that he will be stating the policy before the last sitting day of the house before Easter?

Mr. Olson: Well, Mr. Speaker, the new dairy year begins April 1. I think it would be

helpful and useful to the dairy farmers if they had the policy and regulations outlined to them prior to that date.

Mr. Ed Schreyer (Selkirk): I have a supplementary question, Mr. Speaker. I should like to ask the Minister of Agriculture whether his department has under consideration a new set of plans with which to deal with the problem of the decline in milk production and the declining number of milk processing plants on the prairies.

Mr. Speaker: The hon. member is asking for information of a very general nature. This is the type of information which certainly should be given by way of a statement on motions.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON CULTURAL AGREEMENTS BETWEEN CANADA AND FRANCE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is the minister now in a position to reply to the questions I posed recently relating to the financial commitment entered into by Canada under the Canada-France agreements.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker; I have been in a position to answer this question for a long time but my answer is so long I would much prefer if the hon. member would put the question on the order paper so that it might be answered in writing.

Mr. Muir (Cape Breton-The Sydneys): I would be pleased to do that.

INQUIRY AS TO POSSIBLE INVITATION TO PRESIDENT DE GAULLE

Mr. Robert Muir (Cape Breton-The Sydneys): In connection with the Canada-France agreements and discussions thereon has the Canadian government invited General de Gaulle to visit Canada following his forthcoming visit to the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): General de Gaulle was in Canada a couple of years ago and I think the onus lies on the other side to invite our Prime Minister to France.

Mr. Knowles (Winnipeg North Centre): Some exchange!

FISHERIES

SEALS—ACTIVITIES OF FOREIGN SHIPS DURING CESSATION OF CANADIAN OPERATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the parliamentary assistant to the Minister of Fisheries. Is the government aware that when the Minister of Fisheries was announcing on Saturday the cessation of sealing operations in the Gulf of St. Lawrence, foreign ships were killing seals within the three mile limit off Hamilton Inlet, Labrador?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I am advised that the Department is aware that four Norwegian ships are in the area described by the hon. member. Officers of the department have been in contact with the ships' masters since last Saturday. Only one vessel took a small number of seals on Saturday, but stopped when warned by the officers. No seals have been taken by any vessel since then. The vessels are trying to get out of the area but ice conditions are preventing their movement.

The department has two aircraft observing the activities of the ships and the fisheries patrol vessel *Cape Freels* is standing offshore. I can assure the hon. member that the department is watching this situation closely.

SEALS—DISTRIBUTION OF FILM DEPICTING KILLING METHODS

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Secretary of State, which is similar to a question posed to his parliamentary assistant on Friday last. Can the minister tell the house how the film on the seal hunt in the Gulf of St. Lawrence, produced for the C.B.C. by Artek Films Ltd. of Montreal, and which is doing so much harm to Canada's reputation, received such wide distribution in Europe and the United States?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, in the past five years the Canadian Broadcasting Corporation has acquired broadcast rights in two film productions dealing with seal hunting in the Gulf of St. Lawrence.

"Les grands phoques de la banquise" — Artek Film Productions Ltée. is a black and white film running 58 minutes, 20 seconds. In a contract dated May 11, 1964, Artek Film Productions undertook to produce the film

and to grant C.B.C. exclusive Canadian television rights for a seven year period. In addition, the Canadian Broadcasting Corporation acquired unlimited stock shot rights. All other rights were retained at that time by the company, including non-television rights in Canada and foreign rights. The film has been shown only twice on C.B.C.-TV. The film to which the hon. member has referred is I think another film which has nothing to do with the C.B.C. but has been shown by someone from the S.P.C.A. in New York.

As for the first film mentioned, I should note that an action for libel has been initiated by Mr. Serge Deyglun, the script writer and narrator of the film, against Mr. Louis Philippe Lacroix, M.L.A. for Isles de la Madeleine. The action is now before the Quebec Superior Court. The Canadian Broadcasting Corporation is not involved in any way but has agreed, on court order, to deposit a print of the film as an exhibit. It is very clear that any showing of this film outside the country is not the responsibility of the C.B.C. because it did not buy the foreign rights at the time the film was originally produced.

Mr. McGrath: Mr. Speaker, in view of the doubt raised by the minister in his reply, and in view of the importance of this matter, since it has already resulted in the cancellation of the seal hunt in the Gulf of St. Lawrence, would the Secretary of State agree to having this whole matter referred to the Standing Committee on Broadcasting Films and Assistance to the Arts, for proper parliamentary investigation.

Mr. Pelletier: Mr. Speaker, I have already taken the position that the committee itself can decide to hear anybody on any matter concerning the C.B.C.

[*Later:*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I was going to rise on a point of order but perhaps it might be a question to be addressed to the Secretary of State. A few minutes ago, in reply to a question by the hon. member for St. John's East, I understood the Secretary of State to say that the parliamentary committee could consider any subject that it wished to consider. I thought perhaps I did not fully understand our Standing Orders, but I wonder whether the Secretary of State would consult with the house leader and consider rule 65 (8), and see whether in fact it is not necessary for the house to refer a matter to a standing committee before it can be considered.

[Mr. Pelletier.]

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I—

Mr. Speaker: Order, please. The interpretation of a standing order is a subject of debate. Perhaps the discussion to which the hon. member has referred might take place outside the house.

FINANCE

PETROLEUM DISTILLATES—DEPARTMENTAL REPRESENTATIONS BEFORE TARIFF BOARD

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct a question to the Minister of National Revenue about an important tariff hearing taking place at the moment in respect of petroleum distillates. I want to ask him whether in view of the importance of this hearing his department intends to make any representations before the Tariff Board?

[*Translation*]

Hon. Jean-Pierre Côté (Minister of National Revenue): I have not quite understood the question, Mr. Speaker. I would like to take it as notice.

NATIONAL PARKS

QUEBEC—REFUSAL TO SIGN LEASE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development.

Could he tell the house whether he was officially informed that the Quebec government had refused over the weekend to sign a long lease with the government of Canada for the establishment of a national park in the Gaspé peninsula, in accordance with the federal-provincial agreement?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I believe that the provincial government could not come to an agreement with the federal representative with regard to the duration of the lease.

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

Will the minister report to the house in the near future with regard to negotiations now taking place?

Mr. Marchand (Langelier): Mr. Speaker, as national parks are the responsibility of the Minister of Indian Affairs and Northern Development, I believe he should be the one to report to the house.

[*English*]

DOMINION CONTROVERTED ELECTIONS ACT

REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the government house leader. In view of the results of the recent controverted elections in the riding of Humber-St. George's-St. Barbe, Comox-Alberni and the Yukon, and the costly result thereof, in more ways than one, and in view of the rather desperate need for revision of the statute, will he say whether the Controverted Elections Act will be referred to the Standing Committee on Privileges and Elections at the earliest possible moment, so that consideration will be given immediately to these very desperately needed revisions?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I hope within a period of approximately two weeks to be able to make an announcement to the house setting out a suggested time table to deal with all electoral questions. I might say that the Controverted Elections Act would not be at the top of priorities, for reasons which I will be in a better position to tell the hon. member at that time.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister whether he will at the same time be referring the Barbeau report on election expenses to the Committee on Privileges and Elections?

Mr. Macdonald (Rosedale): Mr. Speaker, I said I would be making a statement in respect of all electoral questions.

COMMONWEALTH RELATIONS

MEETING OF PRIME MINISTERS IN 1970

Mr. R. Gordon Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister arising from reports that Arnold Smith, Secretary General of the Commonwealth, is as it was put, shopping around for a country to act as host for the 1970 meeting of Commonwealth Prime Ministers. May we have the assurance of the Prime Minister that the government and the people of Canada would be glad if Canada were the host?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the Secretary of State answered a similar question a few weeks ago.

Inquiries of the Ministry

NATIONAL DEFENCE

ANTI-MISSILE INSTALLATIONS—EFFECT ON CANADA OF U.S. INTERCEPTION SYSTEM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is to the Secretary of State for External Affairs and it has to do with the establishment of the two A.B.M. installations in Montana and North Dakota. Did our partner in NORAD advise the government of Canada of its intention to establish these installations and, if so, will the minister say when he, as the responsible minister for foreign affairs, first received notification of the decision by the United States in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we were told of the decision immediately before it was announced.

Mr. Diefenbaker: Does that mean before it was announced by President Nixon, and that until that date our partner in NORAD gave Canada no information?

Mr. Sharp: Mr. Speaker, as the right hon. gentleman knows, there had been many discussions about the Sentinel system which involved, as I understand it, many days and weeks of discussion in the United States. The President, who had the responsibility, announced the other day the decision he made to change the nature of the plans which had been talked about at one time. We were informed just in advance of his public announcement.

Of course we shall be having some discussion with the United States. The Prime Minister will be talking to the President when he sees him next week. This will be one of a good many other matters discussed. I can only repeat what the Prime Minister has said, that the purpose of any of these defences is that they shall never be used. If they are used they will have failed. Therefore I think we all must look at this problem in its very widest context, namely to avoid a nuclear conflict.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising from his answers to my previous questions, upon which I have been reflecting. Did he mean to indicate that it is the view of his government that the A.B.M. system and the decision of the President of the United States do in fact escalate the chance of conflict, and are in fact a threat of some sort to world peace? Is that what the Prime Minister meant to indicate?

Inquiries of the Ministry

Mr. Trudeau: No, Mr. Speaker.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker, to the Secretary of State for External Affairs. Were there any discussions between his department and the government of the United States as to whether or not NORAD facilities would in any way be involved; and can he assure the house that as a result of those discussions neither the warning system nor any part of the NORAD system is involved in this A.B.M. program?

Mr. Sharp: As the Prime Minister has said, Mr. Speaker, these are two separate matters, our NORAD agreement and the proposed system of A.B.M.'s around the cities or around the defence installations. As one of those who has joint responsibility for NORAD, we are not involved in the decisions of the United States on their A.B.M. system.

FISHERIES

SEALS—REQUEST FOR REASONS FOR SUSPENSION OF HUNT

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order. A few moments ago I attempted to engage Your Honour's eye on a matter supplementary and related to a question asked by the hon. member for St. John's East. Your Honour permitted a number of supplementaries related to other questions and did not allow me to put a supplementary question at that time. My supplementary is of great importance, particularly to the people of eastern Canada.

Mr. Speaker: Order, please. The hon. member may put the supplementary question now.

Mr. MacDonald (Egmont): Mr. Speaker, I direct my question to the parliamentary secretary to the Minister of Fisheries, in view of the fact that the minister is not here today. Would the parliamentary secretary to the minister assure the house that later today the minister will make a statement and communicate it to hon. members, or will make a statement in the house tomorrow with respect to the cancellation of the seal hunt last Saturday before the quota had been substantially filled and indicate, since the hunt has been concluded, the reasons for suspending it before the quota was arrived at?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I think I can say, after consultation with the minister, that the decision was taken by the minister only because of the conservation of the seal herd. The minister has made a statement in this respect. I hope that by now all members have a copy in their post office boxes, if the services of the Postmaster General are in good order, and everybody will know what the minister said in his statement.

Mr. James A. McGrath (St. John's East): I rise on a point of order, Mr. Speaker. The Minister of Fisheries has shown contempt for the house in making this announcement outside the house on Saturday last.

[*Translation*]

OFFICIAL REPORT

PRINTING OF FRENCH VERSION ON POOR QUALITY PAPER

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Secretary of State.

May I ask him whether he noticed that the French version of the House of Commons Debates is being printed on poor quality paper by the Printing Bureau? If so, and with a view to correcting such anomaly, could he tell us whether or not he intends to meet the directors of the Portneuf plants who manufacture excellent paper?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I must confess to the hon. member that this had escaped my attention and that, in any case, I would not have given much consideration to this matter, because neither the Printing Bureau nor the translation of the official report of the House of Commons Debates come under the purview of my department.

CANADIAN BROADCASTING CORPORATION

ARTEC—POSSIBLE CESSATION OF REGIONAL BROADCASTING

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, could the Secretary of State tell us whether national or regional broadcasting will be suspended due to the dispute going on between the C.B.C. and the Association of Radio and Television Employees of Canada?

Hon. Gérard Pelletier (Secretary of State): I cannot give a definite answer about that, Mr. Speaker. As everyone, I am aware that a strike vote has been taken, and that final efforts are made to reach a settlement. I hope it will come about but staggered strikes which were announced by the unions will have consequences which I cannot foresee and which the corporation itself, I think, cannot foresee exactly.

[*English*]

EXTERNAL AFFAIRS

BIAFRA—CEASE FIRE PROPOSAL AS PRELUDE TO NEGOTIATIONS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Secretary of State for External Affairs. On Friday last the Prime Minister indicated that he might be willing to report to the house the result of the discussions that have taken place between the high commissioner in Lagos and his department. More specifically, would he indicate to the house whether the high commissioner has been instructed to urge the government in Lagos to accept the peace proposals put forward by the authorities in Biafra?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in a couple of days of discussion I have had the advantage of spending some hours with our high commissioner from Lagos. We explored many matters, including the possibilities of working out a cease-fire and the termination of hostilities, which is even more important. Needless to say, many of these matters I could not very well discuss with the house until our high commissioner has had an opportunity of carrying messages from this government to the government to which he is accredited, namely the Nigerian government. I do hope that some of the initiatives may prove useful, but that remains to be seen.

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs tell us what instructions the high commissioner has been given with regard to representations to be made to the Nigerian government? What instructions have we given him?

Mr. Sharp: Mr. Speaker, I think I tried to make clear that it would hardly be courteous to the government to which he is accredited to say in advance what he intends to tell them.

Mr. Nystrom: A further supplementary question, Mr. Speaker. In light of the recent developments, such as Prime Minister Wilson's decision to go to Nigeria, and Biafra's proposals for a ceasefire, is the Canadian government now ready to ask the United Nations to extend the terms of reference of the international observer team to enable it to go into Biafra and investigate the alleged atrocities there?

Mr. Sharp: Mr. Speaker, there are a number of issues which we asked the high commissioner to talk over with the government of Lagos. I think it would not be serving the cause that we are all trying to serve if I were to indicate here in the house, in advance, the matters I asked the high commissioner to discuss with the senior officials in the Lagos government.

Mr. Nystrom: I rise on a point of order, Mr. Speaker. I asked the Secretary of State for External Affairs whether the Canadian government is now willing to go to the United Nations and ask them to extend the terms of reference of the international observer team.

DISCUSSIONS WITH SOVIET AMBASSADOR RESPECTING TENSION IN EASTERN EUROPE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my colleague the hon. member for Peace River directed a question to the Prime Minister on Friday last to which the Prime Minister replied that the Secretary of State for External Affairs would be delighted to discuss it today. I think those are the words the Prime Minister used. The question related to the military manoeuvres planned by the Soviet Union and Warsaw pact nations in eastern Europe. The hon. member for Peace River asked whether the government of Canada had expressed its concern and anxiety to the Soviet Union and, if not, whether it would do so.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I had occasion to look at the question put by the hon. member for Peace River, and it is not clear to me what military manoeuvres are referred to. The Warsaw pact exercises in the Soviet zone of Germany early this month were of a minor nature and no large scale exercises are planned, to our knowledge, for the immediate future. Although the situation in eastern and central Europe does, as always, give grounds for concern over the longer term, there are no special reasons at present why the government should feel unusual anxiety about the direction of events.

OCCUPATION OF CZECHOSLOVAKIA BY SOVIET TROOPS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, with regard to the Prime Minister's discussions with the Soviet ambassador last week, which he said were on the subject of China, can he state whether while they were discussing China there was any reference to the presence of Soviet troops in Czechoslovakia, and whether during this discussion or any other recently the Canadian

government has raised the issue of the continuing occupation of that country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I indicated that the details of the discussion are of a confidential nature.

[*Later:*]

Mr. Muir (Cape Breton-The Sydneys): On a point of order, Mr. Speaker. The Prime Minister said in his reply today, as he did on Friday, that the discussion with the Russian ambassador was privileged. My point of order is this: A mere statement by the right hon. gentleman does not make it so; it simply indicates his refusal to tell Canadians what took place, or to explain the purpose of these talks.

Mr. Speaker: Order. That is a matter of debate; it is certainly not a point of order. If the hon. member would indicate the standing order or precedent to which he is referring I shall rule on the point raised. However, it seems to me he is arguing the validity of the Prime Minister's position in refusing to reply to his question. The hon. member knows that a minister is not obliged to reply to a question, even though the member asking it may think it should be answered, or answered in a certain way.

Mr. Muir (Cape Breton-The Sydneys): To continue this point of order, Mr. Speaker. I fully agree I have not referred to the Standing Order—

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton-The Sydneys): Will you hear me out?

Mr. Speaker: I have ruled on the point raised by the hon. member and it seems to me there is little purpose in going into the matter further. The hon. member is not satisfied with the reply made to him by the Prime Minister. I do not see how that can constitute either a point of order or a question of privilege.

MAINLAND CHINA—EFFECT ON RECOGNITION OF BORDER CLASHES WITH U.S.S.R.

Right Hon. J. G. Diefenbaker (Prince Albert): On a point of order, dealing with the rights of parliament, Mr. Speaker. The other day I asked the Prime Minister again in this house whether there had been any suggestion of postponing recognition of communist China because of the aggression being practised between communist China and the U.S.S.R. The answer received from the Prime Minister and from the Secretary of State for External Affairs was that this could not be revealed.

[Mr. Muir (Cape Breton-The Sydneys).]

Later that day it was stated in the press that according to information received the subject had been discussed between the Prime Minister and the Soviet ambassador. It is not proper that answers which were not given here in this chamber should be given outside the house by officials in order to offset any possible criticism of the failure to answer here.

Right Hon. P. E. Trudeau (Prime Minister): On the point of order, Mr. Speaker. The subject matter which was discussed between the Soviet ambassador and myself was China. When I was asked the question, the External Affairs Department had not yet received permission from the Soviet ambassador to release the subject matter of the discussion. The ambassador did agree later to our indicating that we had discussed the subject of China, but not that we should give the details of that conversation, and there is no obligation or intention on the part of the government to do so.

Mr. Diefenbaker: I agree with the Prime Minister that there is no obligation to reveal what passed between him and a foreign ambassador. But there is no justification for the action of civil servants in endeavouring to help the government out after the Prime Minister has given an answer in the house to the effect that information will not be furnished.

REGIONAL DEVELOPMENT

P.E.I.—REQUEST FOR TABLING OF AGREEMENT

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the minister of regional and economic expansion. Some days ago it was indicated to the house by the Prime Minister that the development plan agreement was to be signed with the government of Prince Edward Island. That agreement has now been signed and, I understand, tabled in the provincial legislature of Prince Edward Island. When may we expect a similar courtesy in the house in respect of this matter?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I am very sorry that the document has not been tabled in the house yet. This delay is due to the fact that we are trying to get it translated into French, so as to table both versions at the same time. However, if the French version should be long in coming, we will immediately table the English version.

[*English*]

FISHERIES

SEALS—REQUEST FOR CONSIDERATION OF ARTEK FILM BY STANDING COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to speak to the point of order raised by the hon. member for Parry Sound-Muskoka.

Mr. Speaker: Order. Will the hon. member resume his seat? The Chair has already indicated that the point of order referred to was not one to be raised at the present time. If the hon. member has another point of order to raise, the Chair will hear him, of course.

Mr. McGrath: If I cannot speak to the point of order, would Your Honour permit me to ask a supplementary question?

Mr. Speaker: We have gone beyond the time allotted to oral questions but if hon. members agree unanimously, the hon. member may proceed.

An hon. Member: Go on.

Mr. Speaker: The suggestion has been made that it being St. Patrick's Day the hon. member should be allowed to ask the supplementary.

Mr. McGrath: I thank you, Mr. Speaker, and all hon. members for showing such charity to this poor, humble Irishman. My supplementary question is directed to the leader of the house. As he is permitted to do under Standing Order 65, would he agree to refer to the Standing Committee on Broadcasting, Films and Assistance to the Arts, the subject matter of my question to the Secretary of State regarding the film made by Artek Films Limited, on the seal hunt in the St. Lawrence?

Hon. Donald S. Macdonald (President of the Privy Council): I understand that the Secretary of State in his answer drew attention to the fact that the estimates are now before all the standing committees and that it would be entirely within the power of the standing committee mentioned to make arrangements in its timetable to call before it the people necessary to a discussion of this question. I understood my hon. friend's reply to be within that context. It would of course be a different situation if this were a period of the year when the estimates were not before the standing committee.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (4) (a)—SUGGESTIONS TO CORRECT ALLEGED ANOMALIES IN PAYMENT OF PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I move:

That, in the opinion of this house, the government should give immediate consideration to the introduction of legislation to improve the position of our senior citizens, including those on old age security, the war veterans allowance and various other government pensions and allowances, by providing *inter alia* a substantial increase in the old age pension, the removal of the income test from the supplement thereto, income tax adjustments to correct existing anomalies, and the inclusion of an escalator clause to keep pensions in line with wage and salary increases, all of these proposals being steps toward the establishing of a genuine guaranteed annual income.

As will be clear from this motion, Mr. Speaker, we are asking the house today to give serious consideration to the needs, the plight and the rights of our senior citizens. We have in mind all our people who are covered by this broad term "senior citizens", but we are thinking particularly of those in receipt of old age security pensions, war veterans allowances, and various other pensions and allowances.

If time permits, various members of our party will speak with respect to the different groups of people referred to in the motion. We hope the house will welcome this day as providing an opportunity to give special consideration to the problems faced by the older people in our community.

May I say at the outset that this is not just another appeal for a few more dollars. More dollars are certainly needed by our senior citizens—and not just a few more. But the appeal today is for a new approach to the whole question of retirement pensions, and in a moment or two I shall indicate what we regard as the three main points which are essential to such a new approach. Before I do that may I deal immediately with a couple of the answers thay may be forthcoming from the government side unless, of course, the government decides that this is a good motion and is prepared to support it.

• (3:00 p.m.)

Having listened to many debates on this subject in this house, I suspect that one of the answers will be that it is more important to do something about inflation, that it is more

important to try to stop inflation, which after all hits hardest those who are on fixed incomes, than it is forever to be raising old age and other pensions. In reply to that I want to say that no government yet has stopped inflation, except in times of depression. Some governments have managed to check it a bit here and there, but the course of history is the story of prices and wages going up and up. We are always aware of the extent to which this hurts people, but it is also a fact of history that with rising prices and rising wages people who are at work fare a little better as time goes on. Things may cost a lot more today than they did when wages were 50 cents an hour but, even at today's higher prices, today's higher wages are such that working people are better off.

What is wrong with our society is that we draw a line, a line of discrimination that is hard and fast. We say to those who are at work: "You have the power to struggle for increases; you have the opportunity to get those increases and to improve your standard of living". But we say to those who are on the other side of that line, those who are retired: "Your income must remain fixed from the point of retirement until your days on earth are done". We regard this as a matter of rank discrimination and we say it is not good enough just for the government to declare that it is going to try to check inflation.

The other night I raised this question under another heading having to do with retired civil servants. The Acting Minister of Energy, Mines and Resources (Mr. Lang) seemed completely to miss my concern that our retired people have the opportunity to share in the rising standard of living. He said that it would be better if we stopped inflation and one of the ways, said he, to stop inflation was to stop asking for pension increases. We regard that stand not only as sheer nonsense but as most unfair and discriminatory against our senior citizens.

The fact of inflation, the fact of rising prices, the fact of rising wages—these facts are all present. What we want is recognition of a further fact, namely, that our senior citizens have just as much right to share in the rising standard of living as those who are still at work. Therefore, Mr. Speaker, we reject the argument that the only thing the government should do is to carry on a futile battle against inflation. It is not carrying it on anyway. We say that a government that encourages and does its part in raising the standard of living for working people by raising salaries and wages should do the same for our senior citizens and raise their pensions. Not to do so is rank discrimination against those who are retired.

[Mr. Knowles (Winnipeg North Centre).]

Another argument that will be probably used if the government makes the mistake of opposing this motion today will be that this matter is under review. As an answer, this is becoming a bit monotonous in this house. Everything that we are concerned about is under review. As far as pension matters are concerned, not only is it not fully satisfactory just to tell the house that these questions are under review, but I am also deeply disturbed about words that leak out here and there in connection with the nature of this review. We are told that maybe there has to be a change, a new approach. I have been asking for a new approach to the problem; the government has said that it will come out with a new approach. But it talks of selectivity. Those famous words of the Prime Minister (Mr. Trudeau) still ring in our ears—"We have had enough of this free stuff." The whole concept of universal social security programs seems to be under attack in the review that the government is making. We submit that as an answer to the question we are raising today this is not good enough.

I said that we are asking for a new approach to the problem of pensions for those who are retired, and I should like to indicate three matters that I think are at the heart, three things that are the essence, of this new approach.

First of all, I believe we have to establish once and for all that retirement pensions, pensions that enable people to live decently after they have done their share of this country's work, are a matter of right, that there must not be any kind of charity or means test or needs test or stigma of any kind attached to them. I thought that we had reached that point back in the early 1950's when we got rid of the means test from the old age security pension, but we got it back again with respect to the guaranteed income supplement. The words that are leaking out about the review that is now taking place suggest that something further along that line is in the government's mind.

Words like "selectivity", "responsible payments", and so on are fine words, but the fact of the matter is that if you put older people on any kind of needs or means test, even if you have a system of negative income tax—and I will come to that a little later—you are putting them in the position of receiving something that still has the social

welfare or relief concept attached to it. We want to get rid of that completely. We want pensions at the point of retirement and from then on to be completely a matter of right without any means, needs or income test attached to them.

A second point that we regard as essential to a new approach to the problem of pensions is that the amount of the old age security pension will have to be substantially increased so that it will be the kind of pension on which people can live decent and dignified lives. It has taken a long while to get to the point we have reached. The pension battle in Canada spreads back over many decades. As a matter of fact, it was in the very year in which I was born, 1908, that the first step was taken in the House of Commons in the field of pensions when the government annuities act was brought in. In fact it was debated in this home at second reading the very day I was born. That piece of legislation was a pretty meagre step. The debates of 1908 on this subject are interesting to read, but at least as a result of that debate it was recognized that the government had some responsibility to help people to help themselves in regard to their old age.

We moved ahead in the twenties when parliament brought into effect the first old age pensions act which provided a $20 pension at age 70 but with a means test and a whole host of restrictions. Then we took another further step forward in 1950 or 1951 when we abolished the means test for the old age pension of that day. At that time it was only $40 a month and we provided that everybody 70 years of age and over would receive it.

• (3:10 p.m.)

It has taken all this time for us to take these forward steps. It has taken too long, but at least we have moved from the idea of simple government involvement in pensions, to pensions because people needed them, and finally to pensions as a matter of right. We tried to go a step farther by providing for adequate pensions under the Canada Pension Plan, which was a good way to meet the problem or will be for those who eight or ten years from now will benefit to the full extent from the Canada Pension Plan and the old age security pension. But the mass of Canadian people still have not accepted the idea that old age pensions should be generous enough for people to live on.

I have a motion on the order paper, which was debated for an hour on a previous occasion, proposing that the old age security pension should be raised to $125 a month, that the needs test attached to the income supplement should be wiped out, and so on. The figure in my motion is a bare minimum. We ought to be talking now about old age security pensions of $150 a month. The day will come when even that amount will be considered small. In today's context a pension of that order would indicate that parliament no longer thought old age pensions a form of charity but had considered what was fair and reasonable. But the government still considers pensions a form of welfare and, utilizing a means or needs test, pays pensions so small that people can scarcely get by on them.

I suggested that there are three aspects of this problem that we consider to be important. First, as I have said, we need to give our people pensions as a matter of right, without any means or needs test. Second, we need to make the pensions substantial, even generous. We ought to pay as much as $150 a month right now. The third point I wish to make, and to me this is the most important step we must take in the pension field, is that there must be built into the old age pension scheme and into the pension schemes of retired civil servants, C.N.R. employees, veterans and people in other segments of our community, automatic escalator clauses that will provide for pensions to rise and keep up with the increases taking place in wages and salaries.

I have been arguing about this point for years, and I want to talk about it now. To judge from answers given from the government side, from interjections made from various corners of the house and so on, the notion still persists that pensions should be tied only to the cost of living. That is not good enough. For that matter we have not got that now. Most pensions have no escalator clause, but the old age security pension has one, although it limits the increase to 2 per cent per year, as does the Canada Pension Plan. So the escalator clauses in those instances are not really tied to increases in the cost of living. But even when you have such a clause you condemn retired people to being able to purchase for the rest of their years only the same basket of goods and services they could purchase at the point of retirement. We do not say that to the working sector of our population. We say that our working people have the right to keep earning higher wages and salaries and to participate in the increased

standard of living, for the standard of living goes up as the years go on.

When we were dealing with these matters in the committee that dealt with the Canadian Pension Plan in 1964 and 1965 a great many statistics were placed before us. Although I do not have it in front of me, in issue No. 3 of the Minutes of Proceedings and Evidence of that committee there is an interesting table about the rise over the years in the cost of living, wages, the gross national product and so on. I looked at it again today to refresh my memory, and these are the facts. In the 20 year period between 1940 and 1960 the cost of living doubled, but the wage index multiplied three times. So if you earned wages or a salary you had a chance to keep up with the rising standard of living, but if you were tied to some sort of cost of living index you fell behind.

I point out that not only did the cost of living double while the wage index tripled but, according to the same table, the per capita share of the gross national product of the country in the same 20-year period went up by a multiple of four and the gross national product went up by a multiple of five. So look at where we would leave our older people, even if we were to give them a full cost of living bonus. During a 20-year period of retirement, while the gross national product of the country multiplied five times, their standard of living would only double. While the per capita share of the gross national product multiplied four times and the wage index three times, the old people of our society would be left far behind. That is not good enough. It is not the way any family would operate. It is not a just society. It is not humane and it is not Canadian.

It is not right that we should say to our older people: "We must draw the line at the point of retirement. You cannot continue to share in the advantages that accrue from a dynamic society." We must remember that our present position is the result of the contribution our older people made when they were working. They worked perhaps with less efficient tools and methods, but they built us up to where we are today, just as we are building up our society for the generations to follow us. Would we like it if we were told on retirement that we would have to settle for the rest of our lives for the basket of goods and services that we were able to buy at the point of retirement, even though the gross national product might go up by a multiple of five during our period of retirement? Unless we have an adequate escalator clause our entire pension program will fall to the ground and prove useless. I suggest in all fairness that if we are to have a pension program worthy of its name we must include in it an automatic escalator clause. And, for heaven's sake, let us get the idea across that this escalator clause must be tied either to increases in the wage or salary index or to the gross national product. Let us have no more of this talk of its being tied merely to the cost of living index.

I must move on, Mr. Speaker, because there are other matters in the motion. It refers to veterans allowances, which will be discussed later, and to income tax anomalies which should be straightened out. To judge from the kinds of answers given to questions on orders of the day, something may be done about this this spring. I am sure that even this government did not intend that the guaranteed income supplement should put people into an income tax bracket. I am sure that this government did not mean, after saying that certain people must not have less than a minimum income and paying them a supplement to bring them up to it, to turn around and take away part of that minimum income in taxation. The reason for this anomaly is, of course, that income tax exemption levels have not been changed since 1949. As a matter of fact, they are lower today than they were before world war II.

I have gone into details on this point on other occasions, but I think one of the most wicked pieces of unfairness relates to war veterans allowances. Those who remember the debates on the guaranteed income supplement will remember that the minister piloting that legislation through the house made the point that in any income test for the supplement the war veterans allowance would not be counted. But he overlooked the means test in the War Veterans Allowance Act. Once the war veteran who receives an allowance is paid the guaranteed income supplement his war veterans allowance is cut and he ends up with precisely the same income he had already. Being a veteran, he does not like this. He would like to get all the advantages that flow from being a veteran. But he is now worse off because of the income tax situation. If a veteran receives the war veterans allowance, that is not taxable, but the guaranteed income supplement is taxable income. Veterans between the age of 65 and 70 do not get the extra $500 exemption, so they have to pay income tax because part of their income is in

the form of a guaranteed income supplement rather than war veterans allowance. This is the kind of anomaly that needs to be straightened out.

• (3:20 p.m.)

If there is going to be a budget statement this spring by the Minister of Finance (Mr. Benson), the government could cope with this problem at that time. I strongly urge that something be done. The dollars involved would not be great, but to people with small incomes it is difficult to pay $20 or $30 income tax. It is unfair, wicked and unkind and I hope these income tax anomalies will be corrected.

When speaking on this subject a year ago the then Minister of Finance, now Secretary of State for External Affairs (Mr. Sharp), defended the practice. But the present Minister of Finance said that he would study my serious representations on this matter. The other night during the adjournment debate the answer was even more hopeful than that. I hope the government is becoming ashamed of its position. There was at least one debate initiated by an hon. member on the government side with regard to income tax paid by people between the age of 65 and 70. I believe many government members made representations to the government and I hope they will be dealt with during the course of this session.

I have said the steps proposed in my motion, such as raising the amount of old age security, cutting out the means or needs test and particularly putting in an escalation clause tied to wages and salaries or the gross national product rather than the cost of living, could be considered as steps toward the establishment of a genuine guaranteed annual income. There is no doubt in my mind that in a country such as Canada the day will come when we will have a genuine guaranteed annual income right across the broad range of our society. This will not happen overnight. It will not come into full bloom the first time, but a start must be made. I think the place to start is with our senior citizens.

I urge, Mr. Speaker, that there be no confusion between a guaranteed annual income and a negative income tax. My fear is that when the government talks about a guaranteed annual income it is thinking of using the negative income tax as a means to accomplish this. Some people think that these are so similar they are synonymous, but they are not. The key to a negative income tax is to have a person report his amount of income and then pay him the difference between that amount and some established level. No matter how this is dressed up, what name it is given, it is still a means or needs test. It is no better for the older people than it is for any other.

In my view the guaranteed income supplement has not been successful. It is a form of negative income tax. It is not a genuine guaranteed annual income. Under a guaranteed annual income the pension is paid without question. There is provision for an income tax structure which takes back the major portion or perhaps all in cases of people who do not require this pension. But the difference between these two approaches is very real. One is a glorified means test. The other is a genuine pension or income payment.

The best social security plan this country ever had was the old age security program we passed in 1951, but it was messed up with the guaranteed income supplement. During those years there was pride and dignity attached to old age security. We had to battle to have the amount raised from $40 to $46, to $55, to $65 and then to $75 a month. We are having to battle now to have the amount raised to $125 or $150 a month. But the principle was right in the original plan, and when you revert to a means or needs test you are taking a step backwards.

I plead with the government not to play around in its review with programs based on selectivity, but to give weight to a program with a genuine guaranteed annual income. The government should have this objective and start with the people who deserve it most, namely, senior citizens, war veterans and all our retired persons. These people deserve recognition for what they have done for Canada. They have a human right to share in the developments that take place during the period of their retirement, whether it is 5, 10, 20 or 25 years. The prospect of greater longevity today causes this problem to be more serious than ever. The problem is intensified by the speed at which prices and wages are rising. It cannot wait for a decade of review but must be dealt with now.

Mr. Speaker, may I point out that the 50th anniversary of a great event in the political history of Canada, the 1919 convention of the Liberal Party, will be celebrated in August of this year. I say this without tongue in cheek.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Fifty years of frustration.

Suggested Pension Payment Corrections

Mr. Knowles (Winnipeg North Centre): I thought that would bring applause from hon. members opposite but the ones sitting there—

An hon. Member: They are ashamed of it.

Mr. Knowles (Winnipeg North Centre): Either they are ashamed or they have forgotten about it. Some of them are so young they would not remember it. It was a great convention, Mr. Speaker. Some people at that convention had some very progressive ideas. Those in attendance included Mackenzie King, W. S. Fielding and Arthur Roebuck. We can have political kibitzing if we want, but that convention was the first at which any national political party in this country made basic proposals for a welfare state in Canada.

An important resolution of that convention with regard to setting up an insurance program against unemployment, sickness and old age became the basis for parliament over the years to build up a social security program for which we can express some gratitude. It is not all it should be but we have done a lot in those 50 years. I say "we"; I do not say the Liberal party because they took an awful lot of prodding. They know that if it had not been for the C.C.F. and the N.D.P. pushing them for the last 30 or 40 years we would not have achieved the things we have accomplished. I now plead with the government: Do not dismantle it all. Do not, in the name of selectivity or in the name of some different kind of expenditure of money, abandon this whole program. Do not be taken in by the silly notion that there has been enough of this free stuff. Those Liberals of 1919 had ideas that still have merit, and Liberals, Conservatives, New Democrats and others have through the years in parliament been both correct and responsible in trying to focus on the rights of our older people and the rights of people in our society generally.

• (3:30 p.m.)

I notice, Mr. Speaker, that you are about to call my attention to the time. May I say that you can relax because I will finish in another 30 seconds.

I plead, therefore, that instead of turning back we go forward to a new approach to retirement based on an absolute recognition of the rights of our older people, based also on pensions of a sufficient amount to enable them to live as they should, and including also the automatic escalation of pensions in line with the increases that take place in wages and salaries and the gross national product, so that our older people will be able to enjoy their retirement years in the dignity which is their right.

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

Hon. J. W. Monteith (Perth): Mr. Speaker, we in this party welcome the opportunity to discuss the problems of our senior citizens. The motion proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) is quite comprehensive. I do not intend to deal with all the elements in it as there will be other speakers from my party. However, in this debate today I wish to put myself and my party squarely on the side of our older citizens.

I feel that the record of the Conservative government between 1957 and 1963, and in fact of our party since that date, bears out my contention that we have always been concerned about the welfare of those no longer in a position to take care of themselves. I believe that what we need is a rational overhaul of our present welfare system.

The present program of social assistance in Canada has grown piecemeal over many years and has been put together by several different administrations. These administrations probably may have had somewhat different goals. It has now developed into a patchwork quilt and, while undoubtedly it has done much to alleviate suffering, too often it fails to cover those most in need. It just does not make sense to have a social assistance program which does not adequately serve those who need help. To my mind there is a case for revision of our welfare concept, and the initiative must come from the federal government. But what has happened, Mr. Speaker?

The government, though preaching the just society during the election campaign, has got itself into a terrible predicament chiefly because of its inability to control inflation and by its inept handling of the country's finances. I suggest that the government by its inability to conduct the financial affairs of Canada in such a way as to contain inflation has further caused great hardship, particularly to our older citizens.

I recall the time the amendment to the Old Age Security Act was passed, having to do with an escalation clause related to the increase in the cost of living. The then Liberal administration tried to imply that it would never allow the increase in the cost of living to be more than 2 per cent per year. What has been the record? We have had a succession of yearly increases of far more than 2 per cent. Who suffers? It is our older citizens, those on old age security and living on fixed

incomes. Our older people have more at stake than any other class of citizen as a result of the continuing inability of the government to contain inflation.

We must recognize the principle that our older citizens should not have to bear the brunt of the deterioration of our dollar. Certainly I favour an escalator clause in the Old Age Security Act and related acts to keep pensions in line with the increase in the cost of living.

In general terms those Canadians who require government assistance can be divided into two broad groups. The first is made up of people who, for one reason or another, are not part of the active labour force. They are elderly or injured or handicapped in some other way. They share the characteristic of being unable to earn an income of their own. The second group is made up of people who would be able to earn for themselves if jobs or training or incentives were available. This second group needs help in terms of opportunity. Today we are discussing primarily the plight of the elderly, the injured and the handicapped. How long must these citizens of Canada wait to have the government recognize its responsibility and act on their behalf?

I feel that if all the terms of the motion before us were implemented we might only further complicate our social assistance system. Earlier in my remarks I said that in my opinion there is a case for revision of the welfare concept and that we need a rational overhaul of our present program. I suggest that there is a strong case for some form of consolidation of our present varied assistance programs.

Some advocates suggest a guaranteed annual income. Others suggest a negative income tax. No matter what it may be called, immediate steps should be taken to consider these possibilities, keeping in mind all the various advantages and disadvantages. There are many factors to be considered. We must not detract from incentives to work or fail to take advantage of opportunities to work.

The government has now been long enough in office to provide some concrete proof of its desire to implement the so-called just society. Let it act immediately to give relief to those Canadians on pensions who have suffered so much by reason of the inflation permitted by the government. It should provide at once for the escalation of pensions in proportion to the actual increase in the cost of living. The government should also undertake to present a white paper or a statement of some kind showing how our present varied social assistance programs might be integrated.

• (3:40 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, every measure aimed at improving the situation of our senior citizens will certainly obtain our approval. We must not take exclusively into account the political benefits that could be derived from increasing the old age pension, but we must also, as the hon. member for Winnipeg North Centre (Mr. Knowles) did, explain and understand the need to give our citizens who are 65 and over, the vital minimum amount based on the real cost of living and not upon considerations out of date in 1969.

Even if there has been some improvement, the old age security pension is still inadequate. We should consider, for instance, the numerous cases in our constituencies where many couples aged 70, 75 or 80, have been unable, in spite a whole life of hard work and because of the inadequacy of the economic system in which we live today, to put aside enough money to live comfortably during their old age. But of course with a pension of $109.20 each, they cannot afford any luxury or even some comfort, and this shows the need to correct this situation.

I want to illustrate what I have in mind by way of one example. Recently in my constituency, I met a 75 year-old man whose wife was 72. They both received the old age security pension, plus the maximum guaranteed income supplement, i.e. a total of $218.40 per month. However, as it sometimes happens, the wife dies. What happen to her husband? Now, since he is a widower, he is considered as a bachelor and since he can occasionally earn some money from his trade as a blacksmith, his pension is reduced suddenly from $218.40 to $78.20.

In my opinion, there is a certain anomaly there. Two people living together live better with $218.40 than one person living alone on $78.20. Furthermore, if a person has a dependent, a boy or a girl, living with him, the situation is even more complicated.

There should be a striking improvement there. Let us not be stingy. A single person is allowed an income of only $768, that is the maximum amount, that he is allowed to earn. He will therefore, receive $78.20 and no supplement. I suggest that this is perhaps a little

stingy to reduce, by all means, this income supplement.

Other cases have been called to my attention since the month of January 1969. For instance, I have been told of people aged 80 or 85, on the last leg of their lives, who, with great difficulty and because they have the good fortune of living still with relatives, a daughter or a son, have saved a small capital of $1,000, $1,500 or $2,000 that they keep in the bank, very carefully, to cover their burial expenses. Now, under the pretence that they have accumulated a small sum of money in the bank, though almost insignificant, the government decreases or curtails their guaranteed income supplement.

There again, in my opinion, we find only stinginess. The government takes away from them something essential, in fact, barely a vital minimum. Such action shows only stinginess and is, I believe, shameful.

As members of parliament we are of course very often called upon the make decisions. Therefore we should remove from the Pension Act as well as from the Old Age Security Act any ambiguity and stinginess, in short anything liable to sadden, so to speak, the last years of our senior citizens.

On the contrary, the pensioners should then feel happy to have lived in a country which has succeeded in setting off their worth. So, we should not have citizens who at the end of their life are having difficulties with the government of their own country regarding the old age security pension. Then, let us not be mean and let us give them what falls to them by right. As for the ones who have worked all their life, no matter what they have accumulated, the services they have rendered are priceless and we must therefore be extremely grateful to them.

Since an escalator clause is to be found everywhere, it is obvious that it should also be included in the Old Age Security Act. There is a similar anomaly with respect to family allowances, for instance, which have remained fixed, but even this is not a fair word, because, following the increase in the cost-of-living index and the relative value of money today, these allowances are worth substantially less in terms of purchasing power.

Consequently, provision for an increase is quite normal and proper. All legislation of this kind should normally provide for an increase in pensions each year or at regular intervals in accordance with the increase in the cost of living. This is a very logical provision, even an elementary one, and, consequently, we give it our complete support.

Naturally, if the ideal to which members of the Ralliement Créditiste aspire could be reached, we would probably not have so many problems to face in the pension field, because money would then be truly at the service of the citizen. But we have to face up to the facts, and since this is part of the system we live in, we shall support this motion under the circumstances.

• (3:50 p.m.)

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I am very pleased that the motion moved by the hon. member for Winnipeg North Centre (Mr. Knowles) has given the house an opportunity to discuss the important issue of income support for our senior citizens and others. If I were to hazard any criticism of the definition set out by the hon. member in his motion it would be that, if anything, its focus is too narrow.

The government is giving serious and continuing consideration to the importance of income support measures, not only to those on social allowances and pensions but to all those receiving any form of income support at all. It is also considering whether the present structure of programs reaches all those in need of such support or if entirely new structures should be developed. I hope that the statements today from various parts of the house will be directed to this broad question rather than restricting themselves to the narrow definitions. There is in the world today a great dynamic to the debate about income support, not just in Canada but throughout the industrial world. I hope the discussion in the house this afternoon will make an important contribution to that debate in Canada.

I think it will be helpful to begin by setting out something of the background of our present situation in regard to income support programs. Measures designed for the benefit of our old people have been introduced or acted upon in each year since 1963. In 1963 the old age security pension was raised from $65 to $75 a month for all those 70 years of age or over. In 1964 the Canada Pension Plan was introduced and a joint committee of the Senate and House of Commons was set up to study this proposal in detail and make any necessary improvements. This plan provided retired contributors with pensions up to $104

a month in addition to their basic old age security pension.

In 1965 the Canada Pension Plan was adopted and at the same time the Old Age Security Act was amended to reduce the age at which benefits might be paid to 65, by one year in age at a time between 1966 and 1970. By 1970 this will have added to the old age security rolls an additional 645,000 persons—more than the 643,000 persons originally covered by the old age security program when it began in 1952. In terms of the expenditures thus committed, this measure was the equivalent of a whole new social security program for aged persons in Canada, covering an extra 645,000 people at an annual cost by 1970 of an extra $580 million, apart even from its escalation feature.

With regard to escalation, as the hon. member for Winnipeg North Centre and the hon. member for Perth (Mr. Monteith) and others mentioned today, it was in 1965 also that we introduced escalating benefits for aged persons automatically as the cost of living rose. Both old age security and Canada Pension Plan benefits were tied to the pension index to help them keep pace with increases in the cost of living. We felt, however, that these benefits should not be decreased in periods when there might be decreases in the cost of living.

Mr. Stanfield: What Utopia is that?

Mr. Munro: This is the Utopia we are building into our act.

As a consequence of this decision not to permit any downward adjustment in benefits, it was decided to phase the upward adjustments by providing for a maximum increase of 2 per cent in any one year. If in some years the price index increase were larger than 2 per cent the difference would be made up in a subsequent year when the benefits would escalate by more than the price index. In 1964 this seemed a very reasonable approach since in the previous ten year period price levels had increased by only 1½ per cent a year on the average. With the recent announcement that the price index had remained constant last month, we may have seen the end of the period of rapidly rising prices and may anticipate that the pension index will operate as it was originally intended to do. If, on the other hand, the price index begins to rise again at a rate of more than 2 per cent annually we may have to consider a revision of this provision. Also, in 1965 the joint committee on pensions recommended that measures be adopted to provide for people who were already aged and therefore unable to benefit substantially from the Canada Pension Plan.

In 1966 contributions to the Canada Pension Plan began and people aged 69 could start drawing old age security benefits. Also, the Senate Committee on Aging, after extensive hearings, recommended a guaranteed income for people in receipt of old age security. That year the guaranteed income supplement proposal was introduced and agreed to, following this recommendation, providing a 40 per cent increase for old age security recipients with no other source of income, and a partial supplement for those with small amounts of other income. Thus Canada's first guaranteed income program commenced, and we were able to concentrate the substantial additional expenditures involved on those members of the aged population who needed the help most.

In 1967 the first guaranteed income supplement benefits were paid, and about 57 per cent of old age security pensioners qualified for full or partial supplements. Also in 1967 the first Canada Pension Plan retirement pensions were paid, and 68-year olds became eligible to draw old age security, Canada Pension Plan and guaranteed income supplement benefits.

In 1968, 67-year olds began to draw old age security, guaranteed income supplement and Canada Pension Plan benefits for the first time and, for the first time as well, the amounts of these benefits were escalated by 2 per cent as a result of the increase in the pension index. The $105 a month combined old age security and guaranteed income supplement benefits rose to $107.10.

In 1969 there was a further 2 per cent escalation in the amount of benefits to $109.20 a month, and those aged 66 now draw old age security, guaranteed income supplement and Canada Pension Plan benefits. In 1970 there will be a further 2 per cent escalation in benefits, even if prices fall in the meantime, and 65-year olds will start to draw benefits from all three areas. It can hardly be said that we have not had our aged citizens very much in our minds over the past six years.

I must point out that we are all aware of the cost in terms of expenditures that all these programs have meant. In the period I have mentioned public expenditures on health and social welfare rose from $3.9 billion in 1962-63 to $6.5 billion in 1967-68. This is an increase of $2.6 billion in five years, or about 67 per cent. My hon. friend, the hon. member

for Winnipeg North Centre, talked about a percentage in respect of the gross national product but he was going back about 20 years. Here we have this type of increase in a four or five year period, which hardly indicates neglect of our senior citizens on the part of this government. The increase in one year alone, between 1966 and 1967, was over $1 billion.

These amounts represent an increase from 9.5 per cent of the Gross National Product in 1962-63 to 10.4 per cent in 1967-68, over that span of four or five years. If you prefer that I leave health expenditures out of the calculation and talk only of social welfare expenditures, you will see that there has still been a striking increase in those five years, from $2.6 billion to $4.1 billion. The five-year increase amounts to $1.5 billion, or 55 per cent.

• (4:00 p.m.)

By themselves, social welfare expenditures account for 6.5 per cent of the gross national product. Old age security expenditures were a major item in these figures. In 1962-63 there were 950,000 pensioners and they received $734 million. Five years later there were 1,366,000 pensioners and they received $1.388 billion or 89 per cent more. During the year just ended it is estimated that $1.58 billion was spent for old age security recipients, and $1.76 billion is budgeted for next year. So the innovations I have enumerated in the past few minutes have amounted to over $1 billion in improved provision for our aged.

When the 69-year olds were brought in we spent an extra $100 million. When the 68-year olds and the guaranteed income supplement were brought in we spent another $355 million. When the 67 year olds were brought in and pensions were escalated for the first time, the bill rose by another $193 million. Now, with the 66-year olds in and a further escalation of benefits, we forecast a cost increase of $180 million.

In these figures I have not included any of the costs of Canada Pension Plan retirement pensions since they will be financed from the Canadian Pension Plan fund. But we should recognize that this pension is also increasing each year. This year the maximum monthly benefit payable was $31.88 in January and will be $42.50 in December, which together with the $78 old age security pension will in December make a total benefit of $120.50 a month. By 1976 the Canada Pension Plan will be paying $125 a month if escalation continues at 2 per cent a year, and together with old age security will provide a monthly benefit of $215 for each pensioner.

It may be helpful to see Canada's record in perspective by considering the situation in other countries. While the minimum monthly pension payable to every aged person in Canada is $78, in the United States it is $55. If the Canadian aged person has no other income he can receive $109.20 monthly. In the United States there is no provision for him to receive more than the $55. In Britain the minimum monthly pension for a single householder is $56.

In comparison with the International Labour Organization standard of a pension for an aged couple equal to 45 per cent of average earnings of an ordinary worker, the situation in Canada is quite good. The old age security pension and guaranteed income supplement together provide a benefit of 50 per cent, and the Canada Pension Plan retirement pension together with old age security provide a benefit of 61 per cent of average annual earnings of $5,000.

In the United States an aged couple can receive a maximum pension of 45.8 per cent of the maximum earnings on which they could have contributed. In France the pension is 20 per cent of previous earnings if one retires at age 60, 40 per cent if one retires at age 65, or 60 per cent if one does not retire until age 70. The rate in West Germany is 45 per cent of previous earnings if one has contributed for 30 years. In Sweden the rate is 60 per cent of previous earnings after 30 years of contributions.

Much of the present debate regarding the future of income maintenance revolves around the concepts of universality and selectivity. We have heard comment on that this afternoon, particularly from the hon. member for Winnipeg North Centre (Mr. Knowles). Because these terms have had various connotations in the past, I think too much of today's debate seems to reflect historical stereotypes of these concepts which lead to inconsistencies when applied to the contemporary situation.

I regret that such an inconsistency appears to be present in the motion of the hon. member for Winnipeg North Centre that we are debating this afternoon. While proposing that the government move in the direction of a guaranteed annual income for all Canadians, the motion urges us to abandon the income test in relation to the guaranteed income supplement. Surely this is completely inconsistent.

Mr. Knowles (Winnipeg North Centre): Not at all; not at all.

Mr. Munro: Well, I think it is. A guaranteed annual income for all Canadians would be an income test program which covered all of the Canadian society.

Mr. Knowles (Winnipeg North Centre): That is a negative income tax.

Mr. Munro: Even on my hon. friend's definition of the difference between a guaranteed annual income and a negative income tax, you still have an income test. The guaranteed income supplement is a guaranteed annual income program which covers only that part of the Canadian society over the age of 66. On January 1 of next year it will be extended to cover all those over the age of 65. Are we being urged to abandon this form of program or are we being urged to extend it?

One of the arguments long advanced in support of such a comprehensive program is that it would do away with the rigid definitions of eligibility for inclusion in the various categories involved in a network of categorical programs. But this motion urges us to build higher the walls of the present categories in order to move toward an elimination of categories. Again, I cannot see how the one will lead us to the other. Which is it that we are being urged to do?

I said that much of the earlier debate and the present one on the future of income support measures revolves around the concepts of universality and selectivity. Selectivity was the essence of welfare in its infancy. Selectivity meant that those who sought welfare came hat in hand as supplicants. Selectivity meant proving need, often at a price of degrading, personal humilation in order to qualify. I agree with the hon. member when he criticizes selectivity in that connotation.

Against this background the demands for universal programs which would apply equally to all and degrade none were developed. While universality in income support programs provided money to those who did not need it, it seemed the only way to get money to those who did need it without forcing them through a process of humiliation to get it. Clearly, I think the ideal form of program was one which concentrated its resources on those in need and did this without subjecting anyone to the humiliation of hat-in-hand supplication.

• (4:10 p.m.)

This issue was clearly confronted in 1966 and the result was a guaranteed income supplement. At that time many were urging an increase in the flat rate of old age security payments from $75 a month to $100 a month, The cost of this would have been $369 million and it would still have left several hundred thousand Canadian senior citizens with only $100 on which to live. A guaranteed income supplement, on the other hand, at a cost of only $235 million, was able to ensure that none of Canada's aged had less than $105 a month on which to support themselves. In other words, the universal approach at a cost 50 per cent greater would have gotten less to those whose need was greatest and whose need had been the very reason for the increase in the first place.

We were able to achieve this selective effect without the traditional form of needs or means test, because it was possible to employ a negative income tax approach. Applicants simply fill out forms similar to income tax forms, but instead of sending the government a sum of money calculated in relation to their income they receive from it a sum of money calculated in relation to their income.

This is the first negative income tax program in existence in North America and it is being closely watched in many parts of the world. To suggest that its income test feature be dropped is to argue for a 50 per cent increase in its cost without adding one cent to what is received by those who have no other source of income. Since I know the great concern of the hon. member for Winnipeg North Centre for those in our society who have least, I cannot imagine this to have been his intention.

I believe the figures show that in the past few years the government has greatly expanded its income support, not only to those on allowances but to many segments of our society. As the Canada Pension Plan continues to mature and the age of eligibility for the old age security and guaranteed income supplement continues to drop, this support will grow.

The motion suggests that there are anomalies in our tax structure, and clearly there are. As we all know, the question of revisions to our tax laws is one which has been receiving a great deal of attention from the Minister of Finance (Mr. Benson) in recent months, and the ending of such anomalies is one of the concerns of his present review.

Mr. Knowles (Winnipeg North Centre): Hear, hear. I shall hold you to that.

Mr. Munro: We are continuing to assess the effectiveness of our present programs and to examine proposals for their supplementation and consolidation. The suggestions offered in the course of this afternoon's debate by the hon. member for Winnipeg North Centre, the hon. member for Perth (Mr. Monteith) and the hon. member for Champlain (Mr. Matte) are helpful and will, I assure the house, be taken into consideration.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, as I rise to speak this afternoon on pensions and on the poverty which often arises as a consequence of inadequate pensions a quotation from Oliver Goldsmith's poem, "The Deserted Village", comes to mind:

> Ill fares the land to hastening ills a prey,
> Where wealth accumulates, and men decay.

Those words are as true today as they were when they were written many years ago. I welcome this opportunity to speak on the subject of pensions and poverty as it affects many Canadians. It is one which should be of deep concern to everybody. All Canadians should be asking why there is so much poverty and hardship in a country as rich as ours. They should be asking why such a situation is allowed to continue. They should ask why governments have been so ineffective in dealing with the situation. They should ask whether the solutions so far proposed are adequate and, if the answer is yes, why these solutions have not been applied.

I ask these questions, Mr. Speaker. Perhaps we can obtain from the government today an explanation for the lengthy delay in dealing adequately with the state of affairs I have described. We have just heard from the minister. He has sketched briefly the activities of the government in this field; I felt he was defending the present Canadian pensions system. It is true he said consideration would be given to the ideas put forward by previous speakers—and I certainly hope this will be the case—but despite this assurance I remind hon. members that we still have with us in Canada today a major problem involving all those who are in receipt of pensions income. As my friend, the hon. member for Winnipeg North Centre (Mr. Knowles) mentioned earlier, these people fall into a number of groups—old age pensioners, those in receipt of war veterans allowances, and so on.

I do not think there is a member of this house who does not have in his office a thick file of letters dealing with pension matters. I have one, and I am certain other members receive similar letters from constituents and from organizations asking that something be done to ease the situation of those who are obliged to live on fixed incomes. When I consider some of the hardships that these people face I find myself wondering how governments can remain in power as long as they do. Remember, this problem has been with us for a long time. It is still here, and in my opinion it will remain with us until a basic change is made in the concept of pensions and the manner in which they should be granted to citizens.

Mr. Alexander: Or until there is new leadership.

Mr. Harding: I shall refer now to a question which has concerned me a great deal since I came to the House of Commons—the fact that though provision is made for pensions to vary year by year if the cost of living rises, the amount of the increase is not related to anything which is logical or sensible. We have on the statute books at the present time a provision which states that 2 per cent a year is the maximum increase which an old age pensioner may receive, even if the increase in the cost of living amounts to double the 2 per cent figure or more. I raised this issue in the house some time ago and I intend to bring it up again. We, the politicians who are elected by the men and women across Canada who go to the polls, make the laws. We can also change the laws. If 2 per cent is inadequate—and I suggest it certainly is—all that is required is for a majority of the elected members of this house to make up their minds that a change will be made and that change will be written into the statute.

• (4:20 p.m.)

One party in this house has a clear majority, the Liberal party. If the 2 per cent is to be changed it is the Liberal party that must change it. The opposition groups are willing to go along with such a change; all we need is some assistance from the backbenchers of the Liberal party.

Mr. Alexander: What a hope!

Mr. Harding: That is what I say. I do not think they dare make such a move. However, their constituents know they are not willing to make this move. The power is in their

hands, and they need not shove the responsibility off on to the executive and say that the executive has to do the job. If these members stand up and insist upon a change being made, a change will come about. I urge them to take that step this afternoon.

I should like to go back a couple of years to show the house what has been happening to the cheques received by old age pensioners. The 2 per cent increase given those in receipt of the old age pension amounted to $1.50 a month. In the government publication that I hold in my hand the statement is made that last year the average cost of living in this nation increased by 4.1 per cent. I do not know what that means to hon. members opposite, but let me tell them what it means to the old age pensioner. It means that his standard of living and his spending power has decreased by more than $1.50 every month. It has been cut by that amount.

The year before, 1967, saw an average increase in the cost of living over the length and breadth of this nation of 4 per cent. Again the old age pensioners had a reduction that year in their basic pension of $1.50. True, we have increased their pensions by 2 per cent each year, but over this two year period there has been an 8.1 increase in the over-all cost of living.

This is what we are asking the government to correct; indeed it is just one of the inequities that exist. Old age pension organizations all across the country are asking that the standard of living of these pensioners should at least not be eroded. We have the voting power in this house to correct the situation, and we plead with the government and with Liberal members to help us correct this injustice.

Members of parliament are pretty well paid by other standards, but do they know what it means to an old age pensioner to have the equivalent of $1.50 knocked off his pension cheque? It means disaster. In this regard I should like to refer to a letter I have received and which I am prepared to table, Mr. Speaker, if the house desires. It is the sort of letter that all members receive and is written by a chap in receipt of a pension. He receives a small pension in addition to the old age pension plus a small portion of the supplement. Every time his pension is increased $2 or $3 the supplement is reduced by a like amount, and he is no better off now than he was several years ago. In fact, he is worse off because the increase that has taken place in the cost of living has gradually eroded his standard of living.

What worries the pensioners are these small increases, certainly small by our standards. According to this pensioner's letter his milk bill has gone up 24 cents a month—I agree not very much. His bread bill has gone up 16 cents a month, his daily newspaper has gone up 40 cents a month and his rent has risen $10 a month. Yet he receives the same pension. Therefore, do hon. members wonder that these people have cause to come to members of parliament and demand that something be done?

We have also received correspondence from senior citizens groups. The other day I received some correspondence from the senior citizens group in Trail which is in my riding of Kootenay West. This group is asking that the 2 per cent figure be increased because of the factors I have just outlined. It is also asking for higher income tax exemptions. In all common sense, can anybody justify the taxation of people in dire need who have no or extremely low incomes? I suggest that this just does not make sense.

If the Minister of Finance (Mr. Benson) were in the house I know he would say that we cannot afford to lose the taxes collected from those in the lower income brackets. But we in this party say that there are other sources of taxation, and Mr. Carter, in his proposals for a just taxation system for Canada, has shown the government where it can raise the money to increase pensions while at the same time raising the income tax exemptions. The income tax exemptions of $1,000 for a single man and $2,000 for a married man were instituted donkeys years ago and bear no relevance to the earning power of today. They should be revised, and it is this government that should revise them. This is another way of providing some relief to pensioners and others on extremely low incomes. Again I suggest that the government take a good look at the Carter commission report and ascertain how the incomes of those in the low salary or wages brackets can be supplemented without harm to anybody.

I see that time is drifting along and I have several other matters I should like to raise in connection with this very interesting problem. In Canada today there are over 1,500,000 men and women receiving old age security pensions. I do not have the exact figure but it is somewhere over the one and a half million mark. About 780,000 of these receive part or all of the guaranteed income supplement. Currently, the income supplement with the 2

per cent increase amounts to $31.20, if they receive it all, but a large number of pensioners are not in that fortunate category.

• (4:30 p.m.)

What is an adequate pension for people who have retired? Actually, I am not in a position to quote exact figures. Depending on where they live, they need varying amounts. Some need less to get by on while others need more. But to say that a single pension today plus a supplement is adequate is sheer and utter nonsense. That has been one of our problems in Canada. We have not made a concerted attack on the problem of retirement pensions. Some countries have. I have raised this point before and will be raising it again.

As the hon. member for Winnipeg North Centre said, it is utter stupidity to condemn retired people to live on an income which will remained fixed for the rest of their lives. I feel, and other hon. members have spoken about this, that as the gross national product increases every individual ought to have the right to share in the over-all increase. Sweden has worked out a better pension system than almost any other country in the world. They share in that country and we in this country should also share.

We must remember that many of us are approaching retirement age. We ought to remember the pioneers who went before us and laid the foundations for the economy of this country. They are entitled to share in the increased efficiency and productivity of those coming after them. This is not asking too much. We can work out a formula to make certain that every pensioner in this country has a better standard of living as the years go on. To begin with, we ought to include cost of living increase clauses in our pension schemes to make sure that our senior citizens' pensions will not be eroded any further. Yet our main objective must be—and this must be the objective of the just society about which the Liberal party talks so glibly—to make certain that our pensioners enjoy an increasing standard of living as time goes on.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

[Mr. Harding.]

Mr. Harding: Mr. Speaker, I wanted to say a number of other things but I will confine my remarks to a minute or two. I thank the house for its courtesy. There is one thought I should like to leave with hon. members before sitting down. It has to do not only with pensions but with poverty in general. To follow my trend of thought all one has to do is examine the figures in the latest Economic Council of Canada report. They should be of concern to every thinking Canadian. We find that the report has separated our people into five economic groups, beginning with the lowest 20 per cent and going up to the 20 per cent segment of our population with the highest earning capacity. In the lowest income group, of course, come the pensioners and those who are in trouble in poverty areas. We find that the workers in the lowest 20 per cent segment receive only 6.7 per cent of our total income. That is almost unbelievable. Those in the next highest group of 20 per cent receive only 13.4 per cent of our total income. The next group of 20 per cent receives only 18 per cent of our gross national product. We find that the top 20 per cent of our population has an income greater than that of the lowest 60 per cent of our working population. This demonstrates the poverty picture in Canada, and this is where adjustments must be made. This shows where the problem must be tackled. I hope and trust that before the present session of parliament ends we shall have begun tackling some of the gross inequities I have just outlined. May I thank hon. members for permitting me to continue speaking a little longer.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the purpose of this motion is that the house discuss a matter of urgent national importance. Although the motion does not fall exactly with the confines of rule 26, we nevertheless welcome it.

I think it is very important at this time that we should discuss the question of underprivileged Canadians and a rational approach to solving the problem facing them. I believe that Canada is still in the midst of a welfare jungle. Many pension and welfare schemes exist and to find one's way through them requires a great deal of experience, time and knowledge of various pieces of welfare legislation on the statute books, rules and regulations and accepted standards of various kinds. The average person is completely lost in this maze of old age supplements, war veterans allowances, the Canada Pension Plan, disability pensions and other types of pension, many

of which are related to other welfare programs.

Some pensions, like disability pensions for war veterans and war veterans allowances, are fixed. The maximum paid under them does not rise or fall in keeping with the cost of living. Usually they are set at the maximum. Others, like the old age pension which I will comment on in a moment, and the guaranteed income supplement, are permitted to keep pace with increases in the cost of living to the extent that they are increased by a maximum of 2 per cent each year. The Canada Pension Plan is tied to the cost of living to a degree. Although increases in these programs are tied to increases in the cost of living, they bear no relation to inflation.

Some pension programs are adjusted annually in accordance with the person's income and need. These pensions may not only be reduced but are subject to a retroactive reduction. I think some of the most tragic cases hon. members have come across have had to do with those whose allowance have been unwittingly overpaid. The cheques keep coming month after month and those receiving them think that if the government is sending them everything must be all right and therefore they spend the money. If at the end of the year when the social worker is conducting his interview he finds that the amount of income is greater than what was estimated at the first of the year and the person has been overpaid $200 or $300, the overpayment must be refunded. Not only is the current year's pension then reduced by $10 or $15 a month but the overpayment is recovered by monthly payments. It is very tragic when this happens. Unfortunately it seems to happen mostly to widows, mothers and others required to support someone. What I have just referred to, Mr. Speaker, is a welfare jungle with various schemes set up in different manners tied to different types of income needs or to the cost of living.

• (4:40 p.m.)

I see that the minister who was responsible for the Canada Assistance Plan is in the house today. At the time that plan was introduced a move was made with the co-operation of the provinces to cut back on these various welfare schemes and try to consolidate them. It was successful to some degree in that it consolidated three or four welfare programs into one. At the same time the old age pension supplement was introduced, which was a different type tied to the means of the person receiving it, and also the Canada Pension Plan which is a contributory plan. To that extent the whole system was not really improved.

The Minister of National Health and Welfare (Mr. Munro) today promised a program to consider a rational and over-all approach to welfare. I presume there is a task force working on this problem. I must say that it is not something new. The people who are suffering most under the present delay in setting up some sort of rational approach are those on fixed pensions. They are the people most affected by inflation.

There must be a new concept in approaching welfare problems, first, to assist those who cannot help themselves and permit them to share in Canada's prosperity and second, to provide incentive for those in the labour force to support themselves. When the Canada Pension Plan and old age security were introduced on an escalating basis, the government set the figure of 2 per cent as the maximum by which a pension could increase in accordance with an increase in the cost of living. The situation as it now exists should have been foreseen at the time. We must realize that the 2 per cent figure is not really tied to the cost of living because the cost of living and wage index are many times higher than this figure.

We have today been given figures which show that the 2 per cent limit is unreal in the context of today's inflation. This limit must be removed in order to make old age pensions and the supplement more realistic. Why should the disadvantaged people of Canada be the ones to carry the burden of inflation which has not been kept under control? I suggest it would be fairly easy to amend the three separate provisions, the Old Age Security Act, the old age supplement, and the Canada Pension Plan.

The government has not been able to restrain the inflationary trends. I do not need to go any farther than what the minister himself pointed out today, namely, that the government grossly underestimated the increase in the cost of living. They have been absolutely unable to restrain it. The minister said that the 1966 figure of 2 per cent sounded fairly reasonable at that time because the increase in the cost of living before then had always been less than 2 per cent. We are well aware the increase in the cost of living has now almost doubled. This shows effectively that the minister and his colleagues have been unable to control inflation.

Suggested Pension Payment Corrections

There is another matter which I would like to discuss, Mr. Speaker, which relates to the Minister of National Health and Welfare. I am glad he is in his seat at the moment. This motion gives me an opportunity to talk about the interplay of the public with government in the performance of its legislative duties. I want to mention a matter which I feel was grossly unfair to the person involved. I raise it because of the insistence of the Prime Minister (Mr. Trudeau) that his legislative items should be discussed with the people in order to have their views. He is of the opinion the government can act best when they know what the people want.

While legislation respecting welfare and pensions may be beneficial to some people, it is not to others. Those who feel that legislation and invasions into the private sector have harmed them should have the opportunity to raise the matter. Last week I asked a number of questions of the minister and of the Solicitor General (Mr. McIlraith) concerning an individual who went to the minister's office to raise some complaints about his livelihood in connection with his duties as life insurance underwriter. As the minister and the Solicitor General pointed out, this man had complained that some of the legislation that was being introduced, such as the Canada Pension Plan a couple of years ago and now federal medicare, were cutting into his livelihood as an underwriter, and he wanted to know from the minister what was going to be done to compensate him.

• (4:50 p.m.)

I do not want to go into the details if I can avoid it but I have statements from people involved. Very briefly, the fact is that this man went to the minister's office to raise a question about welfare legislation such as we are discussing today. He outlined his objections and shortly thereafter, in fact the same day, the R.C.M.P. were sent to interview him at his home. I do not want to reveal the man's name—not because the police will find out; they already know—but I do want to take this opportunity of protesting the haste with which the R.C.M.P. were sent to interview a person who had a dissent from the government. There have been other instances—

Mr. Munro: On a question of privilege, Mr. Speaker, I object to this type of blatant distortion regarding the way the government expresses its reaction to dissent. It is totally erroneous and totally contrary to the explanations given both to this house and to the public. We have had lots of dissent expressed with respect to our programs in the department. We expect it and many times we appreciate it. This man did dissent and did so many times. No one took exception. I would point out that the report was made as a result of a threat. Maybe the people in my office over-reacted to the threat which was made against me. The hon. member knows about this, and he should stop this type of thing.

Mr. Deputy Speaker: Order, please. I was listening very closely to the remarks of the hon. member for Parry Sound-Muskoka because I know of his interest and concern in this matter. I have some misgivings about this line of debate on this motion and I would invite him, with his knowledge of the rules, to try to confine his remarks to the particular motion before the house at the present time.

Mr. Aiken: Mr. Speaker, I thought I had laid the groundwork for it. If I did not, then I failed. My contention is that this is strictly on the point we are now discussing, the question of welfare legislation. The public ought to have the right to dissent when legislation is being discussed, and I think that members of the public should not have to suffer the R.C.M.P. being sent to interview them when they have dissented. As I say, I have signed statements in my file. They may be different from what the minister has. The fact of the matter is that neither the minister nor I were in the office when this incident happened. I have one view of what the discussion was—

Mr. Munro: Why don't you table the documents then?

Mr. Aiken: —and the minister has another. I am merely saying that there was no justification for sending the police after this person. He did not make any threats against the minister at all, none at all—

Mr. Munro: How do you know?

Mr. Aiken: —and furthermore—

Mr. Munro: Were you there?

Mr. Aiken: —and furthermore, Mr. Speaker, the Minister of Justice (Mr. Turner) had a one hour interview with this man last fall on the same subject. There was the same discussion in November. This man happens to be a constituent of the Minister of Justice. The Minister of Justice did not send the police after him.

Mr. Munro: Maybe he did not threaten the Minister of Justice.

Mr. Aiken: He did not threaten the Minister of National Health and Welfare either.

Mr. Munro: How do you know?

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but, as I said before, I have grave doubts about this line of debate on this motion and I would invite the hon. member to revert to the subject matter before the house.

Mr. Aiken: All right, Mr. Speaker. I had merely hoped that the minister would make the gesture, and perhaps he will complete it, of stating that perhaps his office was a little hasty in this instance. That is all I want. Here you have a man who has suffered the indignity of a visit from the police, and his wife is very much concerned. I raised it only for this one point. The minister did say that perhaps his office over-reacted, and if he can accept that there was over-reaction then I will discontinue—

Mr. Munro: Mr. Speaker, I rise on a point of order this time. Previously I raised a question of privilege, which apparently had no effect because the hon. member kept on with the same thing. But as a point of order, Mr. Speaker, what possible relevance has that man visiting my office got to the motion before us today? Does the hon. member have anything constructive to contribute toward how we can better present our programs in the old age pension field or not?

Mr. Deputy Speaker: Order. I think my position on this matter has been stated twice, and has been very clear. I invited the cooperation of the hon. member on this matter. I have expressed my grave misgivings about this line of debate on this motion. I know the hon. member is probably much more experienced in the rules than I am, and he knows the reasons that I have expressed this point of view. In any event, it is five o'clock and it is my duty, pursuant to Standing Order 40, to inform the house that the questions—

Mr. Aiken: Mr. Speaker, there is no private members' hour today.

Mr. Macdonald (Rosedale): This is the late show.

Mr. Deputy Speaker: The hon. member's time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Fraser Valley West (Mr. Rose)—Labour Conditions—alternative to compensate for cancelled winter works program; the hon. member for Hillsborough (Mr. Macquarrie) Post Office Department—Referral of outstanding issues to mediation procedures; the hon. member for Fraser Valley West (Mr. Rose)—Post Office Department—effect of casual employees on position of inside workers.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (4) (a)—SUGGESTIONS TO CORRECT ANOMALIES IN PAYMENT OF PENSIONS

The house resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre).

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, in this house we have had a number of motions quite similar to the one which is before us. As recently as Friday last a major debate took place on the Public Service Superannuation Act and a number of hon. members, myself included, expressed our views on what should be done to assist in the difficulties in which superannuated civil servants find themselves. The matter raised by the mover of this motion has frequently been debated on the late show and on other resolutions of his, and I must give him full credit for being absolutely persistent.

The business of the government of this country is not only to be concerned with aspects of social welfare and generally the distribution of the benefits of our affluent society, but also to be concerned with the broader problems of its responsibilities in other fields and priorities. This afternoon the Minister of National Health and Welfare (Mr. Munro) outlined what has been done. Hon. members on the other side, particularly in the party of the mover of the motion, referred to the 1919 resolution of the Liberal party. They usually do so with a little derision in their minds.

Suggested Pension Payment Corrections

Mr. Knowles (Winnipeg North Centre): No, no.

• (5:00 p.m.)

Mr. Francis: There is no question, however, that a long term program of social welfare benefits was unfolded with the vision of Mackenzie King, the prime mover of the motion. Over a period of years social welfare in Canada developed following this outline of priorities, although sometimes without as much haste as some of us would have liked to see. This has been a platform, however, which I think has been unique in terms of the length and breadth of its concept and implementation by the party which put it forward in its original form. Certainly at this stage when we are getting 10.4 per cent of the gross national product, the official estimate the minister placed on the record in 1967, in terms of welfare and security benefits we stand high among the states of the world in these priorities.

I am sure hon. members were quite impressed when the minister pointed out that in 1962-63 we were spending $3.9 billion in this field and within five years there had been a 57 per cent increase in total expenditures. In the five year period since the Liberal government came to office in 1963 we have seen the Canada Pension Plan, the guaranteed income supplement, the progressive reduction of age in respect of old age security from 70 to 66 this year and next year to 65, and we have seen the principle of escalation. We have seen a major program every year. There is no question but that we can confidently predict more to come.

Having said that, we come back to certain fundamental things which must be weighed. I listened to the hon. member for Kootenay West (Mr. Harding) who said the pension is not adequate and that a person cannot live on $109 a month even if this were the full supplement. We admit this is so. No one has ever defended the old age security program in terms of adequacy. What we are endeavouring to do, however, is to build certain features into the program which still leave room for other things that must be supplied. There is no question that what is adequate in some parts of Canada and for certain standards of living which have been developed is inadequate in other parts of the country. There is no question that there are regional disparities and that the approach on the basis of uniformity still leaves major problems in terms of selectivity. This was stated earlier in the debate.

[Mr. Francis.]

It is necessary that the priorities be considered in relation to other things. The standard of living of those who are retired in Canada will not depend purely and simply on how many dollars are channelled into their pockets via a pension program and cash benefit. It will also depend on things such as the housing program. The government has a major responsibility to look at housing in terms of its priorities. We have had the report of the task force and this is just the beginning of a national attack on the problem. We must also review our priorities in respect of medicare which is now coming into effect and which certainly will be a charge on the budget of this country as the Minister of Finance (Mr. Benson) and the President of the Treasury Board (Mr. Drury) are well aware.

In addition to these things we have our escalated commitments in aid to higher education. While we build priorities at one end of the scale we must always keep in mind that if we make a social investment in the labour force there will be more people contributing at the working levels. We must think also of the tremendous need for capital in respect of resource development and elimination of regional disparity in the depressed areas. Last but not least is the big question of a responsible fiscal policy.

I have had many differences before on this question with the hon. member who introduced this motion. I listened to him early in the session when he brought forward a motion during private members' hour to increase the pension payments to $125 a month and to have this paid immediately to everyone without regard to an income or needs test at the age of 65. I said then in arguing against his motion that this would be an inflationary move and that I could not accept his argument which he has put forward on many occasions to the effect that investment in this area somehow is generated in income and is not inflationary because there is an investment in the people of Canada.

Many times when I listened to the hon. member along this line I found it difficult to distinguish him from the people a little farther down on the other side of the house who seem to think that all that need happen is for the Bank of Canada to print a few more dollars. We cannot produce money effortlessly in the amounts required to meet the demands which are made upon the government. There is no magic formula by which the addition of another $400 million or $500 million to our

welfare or pension bill would not have to be followed by a hard bite of taxes.

The government has a responsibility and the mover of the motion would, I think, wish us to pursue those fiscal and monetary policies which will halt the inflation. If we do not do that, there is no safe way by which we can build a policy of escalation into our pension program, do this or that, or spend more money in this or that direction. Responsible fiscal policy at this stage of the business cycle and resource development in Canada must have a high priority. This is the kind of thing the government must do.

This is not the kind of thing which easily wins elections but I hope we have got over this business of trying to outpromise each other at election time in respect of what we will do for our older people. A more cynical approach could hardly be built into a democratic society. We are saying now to our older people what we have said before, that is, that the record to a considerable extent speaks for itself. The record is that which the minister placed before us this afternoon. Every year not only in terms of concept, not only in terms of programs and not only in terms of proposals that go before this house, it is hard cash that is spent on pensions. The improvement has been there. The proportion of our national resources devoted to this sector has been consistently increasing over the period. The government has the over-all responsibility of balancing not only the claims of those who are retired, however just, however meritorious and however sympathetic we are to their claims—no one can say we are not—but also the priorities for the development of Canada and the policies that the treasury must pursue, however difficult they may be to apply, to restrain the inflation which has been so erosive and so destructive to those on fixed incomes.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I shall speak briefly. I think it would be unfair to utilize all the time available to me since this debate is of one day's duration I find myself applauding the initiative of the veteran, honourable, learned and compassionate member for Winnipeg North Centre (Mr. Knowles). Other adjectives I shall leave to those who know him better. Since I have been here I have often found myself in general agreement with some of the policies of the New Democratic Party. However, many of their suggestions strike me as being utter or nearly utter nonsense. Quite often they come up with some very good ideas, although in the last few years they have struck me as becoming so conservative that a progressive like myself feels a little ill at ease in their intellectual company.

Mr. Knowles (Winnipeg North Centre): Does the hon. member realize that maybe because he is sitting so close to us he has absorbed more than he realizes?

Mr. Macquarrie: It is quite possible, Mr. Speaker, that the force of osmosis is stronger than the declining force of their philosophy. I just want to say that this is one of those subjects which should certainly transcend politics.

• (5:10 p.m.)

I am glad the hon. member for Ottawa West (Mr. Francis) stayed only a short time with Mackenzie King. Many things could be said about Mackenzie King and his successors with regard to which we could find a lot of room for argument but which would do very little good for people on fixed incomes and with inadequate resources. I would only say to the hon. member for Ottawa West that inflation is very much in the minds of those who are supporting this suggestion. As I understand it, what the hon. member has in mind is that the chief victims of inflation are the people to whom we are turning our attention. It is not the case that in a moment of fiscal irresponsibility we are forgetting inflation, it is because there are sectors in our society which cannot forget inflation, those who are walled-in victims of inflation, those on fixed and inadequate incomes, that we are asking that something be done and done on a basis of priority.

The hon. member for Ottawa West referred to some of the plans; he mentioned the Canada Assistance Plan and other measures which have been introduced. He might also have mentioned the last report of the Economic Council of Canada which indicated the prevalence of poverty in this country. One would think sometimes from hearing public statements by public men that this is a country in which only affluence prevails. There are many people in this land with incomes below the poverty level. It is a terrible thing that people are walled and fenced in by incomes which were perhaps not even adequate in the days when they were set but have become painfully inadequate as the value of the dollar has deteriorated and the rate of inflation has progressed rapidly, almost beyond control. I think the eminently sensible suggestions which have been made in reference to

the increase in pensions being tied absolutely to the cost of living rather than being fixed at a 2 per cent figure are so sound that they should not run into resistance intellectually, politically or of any other kind.

I should like to say also that I listened carefully to the thoughtful speech of the hon. member for Parry Sound-Muskoka (Mr. Aiken), a man who came to this house as I did, in 1957. I should like it known that in my opinion he is one of the most conscientious, most thoughtful and most highly qualified members of this house, and it ill behooves anyone on the treasury benches or elsewhere to question his motives or the purpose of his interventions on behalf of the people whom he represents. If Cardinal Newman's definition of a gentleman, that he is never mean nor little in his disputes, can be applied to any man in this house, I would say it can be applied to the hon. member for Parry Sound-Muskoka. I therefore listened with no great pleasure to the innuendo hurled across the floor by the minister, perhaps in a moment of self-defence. I trust that the minister, being a gentleman, will regret that he did so.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have the pleasure to speak on the notice of motion moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I shall not take too much of the time of the house but I have a few remarks to make which, I think, are very important if we want to keep in the eyes of the pensioners our reputation as a government which knows how to take its responsibilities.

I should like to refer in the first place to the people who receive the old age pensions, especially those who have helped build our country. If today we experience some success, it is due to a great degree to the role played by the Canadians who came before us and who made Canada a country where it is good to live.

We should recognize that these citizens have a strict right to the old age pension because they have had no reason to be satisfied with the way they have been treated in the last five or seven years when the cost of living skyrocketted. Everyone will agree that we cannot buy today with $1 what we could buy ten years ago with about 75 cents.

Pensioners too have to buy clothes, to provide for their accommodations and to buy medicine; in short, they too have a right to live.

[Mr. Macquarrie.]

I feel that we have somehow overlooked these people who cannot complain because they have no choice; indeed we never hear from them except for the odd letter they send now and then to their member.

If we want to be considered as a civilized people, we must recognize that we owe them a lot.

It is unfortunate that the government should have been unable in the last seven or eight years to control the cost of living index. If that situation cannot be controlled, why then can the government not pass a law, once and for all, to bring the income of our pensioners in line with the cost of living, so that the cheque they get every month will correspond automatically in value to what can be bought, that is to the cost of living index.

I noticed that the minister replied in a few words for which I congratulate him because he understands the problem. I know he will discuss it with his colleagues. This act should provide for an income that corresponds with the cost of living index, so that all Canadian citizens can live decently in this beautiful country we all love.

[*English*]

Mr. Deputy Speaker: The hon. member for South Western Nova.

Mr. Louis-Roland Comeau (South Western Nova): Thank you, Mr. Speaker. You really caught me by surprise. I thought the hon. member would speak longer than he did. I wish to speak on this motion for the simple reason that it is of great interest to many of my constituents and many people across Canada. This debate centres around the subject we discussed last Friday.

The Minister of National Health and Welfare (Mr. Munro) and others have referred to many statistics to indicate the increased amounts paid to old age and other pensioners during the past five years. It is easy to refer to these figures. There is no doubt in anyone's mind that assistance has been increased in the past five years. It should also be remembered that even during the Tory years from 1957 to 1962 social assistance was increased. So hon. members can see that everybody is concerned about this question. I include the New Democratic Party since they have talked about it on many occasions. But the fact that we are concerned is no excuse for not increasing benefits further.

• (5:20 p.m.)

As I have said, it is easy to bring forward figures to show that an increase has taken place. This is true. It is also true that most pensions have in them an adjustment clause providing for a 2 per cent increase each year to cover the rise in the cost of living. But as has already been stated, the cost of living has risen over 4 per cent each year for the past two years, and there is no indication that this trend will not continue.

So what are we going to do about this problem? If we sit down for a minute, relax and think about it and what is happening to some people in this country, we must come to the conclusion that we should be doing something about it. For a number of years now it has been the same story; the poor are getting poorer and the rich are getting richer. I include the many pensioners in that statement. This fact applies not only to pensioners but to many honest, sincere and hard-working citizens. It includes many people in the low income groups who because of the rising cost of living are getting poorer every year. The cost of living rises faster than incomes.

I am not an economist and am not experienced in this field, but you do not need too much intelligence and experience to know that when your cheque is increased by $1 and it costs you $4 more to live there is a gap and you are being gypped somewhere. This is what is happening to our pensioners; this is what is happening to many of our good, sincere and hard-working citizens. We can stop it. Let us stop fooling ourselves in this regard. Let us stop this inflation. We can do it if we really want to, if enough people are concerned about it and want to do something to correct the situation.

We can all stand up and say that we want to do something about it, but it is not enough simply to stand up and tell those who elected us that we want to do something about it, if we do not do so. We can convince the government; there are enough members here to do that. So let us stop the rising cost of living, since it appears that we are unable to do anything about increasing the incomes of our low wage earners and pensioners. Let us stop this business of fooling people with their income cheques. Let us stop fooling the pensioners, the poor and low income groups.

Everybody talks about disparity. This word has been used many times in the past couple of years. Disparity was the main topic of the last election campaign. But I ask: Do we really mean it? Are we really sincere? Many people do not know what is going on. Why do those who govern this country not take a sabbatical leave and visit some parts of the country to see for themselves the difference in the standard of living. That there is disparity is a fact. We must do something about it. It is not good enough simply to talk about it. I am not talking only of the Atlantic area because there are some sections of northern Ontario, the northern parts of the prairie provinces and other parts of the country where disparity exists. So let us do something about it. Let us also do something to improve the situation of our pensioners because there is disparity in this field.

The fact is that disparity exists simply because the cost of living is relatively the same across the country. There is not too much difference across the country in the price of a can of beans or the price of meat or vegetables. But incomes are much lower in some parts of the country than others. We must do something at all levels of government to improve the situation. We must do something about our pensioners who, although they may receive increases in their pensions, find that the cost of living is rising much faster than their incomes.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I would like to make a few comments in this debate regarding the pension program. I would like the house to consider that our pensioners are for the most part those older people who were the pioneers of this country. These are the people who in many cases have lived through two world wars, and some of them fought in both. These are the people who went through one of the greatest depressions this country has known. These are the people who have raised children, many of whom are now contributing a great deal to the economy and well-being of our country. Now, in the twilight years of their lives, in a period when they are no longer able to make any money, no longer able to keep up with the rising cost of living, no longer able to move into the affluent age, we as a society are either rejecting them or not giving them adequate consideration.

This country was built initially by the efforts of these people. It might be true to say that the contribution they made in the form of money was not as adequate as the contributions made in the machine age in which we live. But I suggest to you, Mr. Speaker, that these people supplied much of the capital base

upon which you and I were able to build a better society and in which we are now able to obtain larger returns for ourselves.

In this connection I could refer to my own family but I do not think it would be correct to do so. However, I would like to refer to the agricultural industry of western Canada at the time when many of our pioneers moved into that part of the country. It was at that time raw land. Many of these people had no money when they went to the west. They broke the land by the sweat of their brow and the labour of their muscles and established small farms or businesses. But when they died or grew old they had not accumulated the large estates that people have in this day and age. They did not save too much money because of the small incomes earned in those days. But I know from my own experience and that of those around me that these people built something on which others could build further.

• (5:30 p.m.)

What reward are we giving them for their efforts? They endured hardships the like of which you and I never experienced. They suffered much and did without much so that they could put capital into the country. What reward do they get? A pension which is inadequate, which is grudgingly given. Today, in the twilight of their lives they are trying to get by under awkward conditions in many cases.

I should like to tell hon. members about something I saw one day this year in the City of Saskatoon. I remember an old lady living by herself in a small one-room apartment. She was not well. Her clothes were hung on the back of the door. All she had to live on was her pension. I ask hon. members: would you want to live like this? Would you want your own parents to live under such conditions? My own wish, and I am sure it is shared by others here, is that these people should receive pensions sufficient to enable them to live in dignity and decency for the rest of their lives. I suggest we have enough wealth in Canada today to enable us to look after these people properly.

I could become quite indignant about the situation in which some people find themselves in the absence of adequate incomes. I am thinking of people who for one reason or another are unable to make it, often people with no family to care about them, in a country which does not care enough. I believe we should do something in a constructive fashion to see that at least in a financial sense these people are adequately rewarded. We should recognize the effort they have put into the country in times past by doing our best to ensure that the pensions they receive are adequate to meet the cost of living.

Mr. Barney Danson (York-North): Mr. Speaker, I had no intention to speak in this debate but I was moved by the remarks of the two previous speakers, and perhaps with good reason. The hon. member for South Western Nova (Mr. Comeau) mentioned that those who run this country, the people from Upper Canada, should see the rest of the country. I was tempted to rise there and then on a question of privilege, but I did not.

An hon. Member: Why didn't you?

Mr. Danson: First, because so far I am not running the country. But I do think it is unfortunate to suggest that people who come from what was once called Upper Canada are not concerned. Indeed, I think it is unfortunate that people who come from central Canada should be referred to, today, as Upper Canadians, unless they went to a particular school.

I have lived in Newfoundland, New Brunswick, Nova Scotia, Quebec and British Columbia as well as Ontario.

An hon. Member: Why did you leave British Columbia?

Mr. Danson: I have asked myself that question. It is a most beautiful part of the country. I almost went back there after the war, but things did not pan out. I always enjoy visiting there. We should make it our business to travel. It is true disparities exist. They are not pleasant for anyone to face. But I must say I also have a letter here from the Chairman of the Corporation of Metropolitan Toronto who said we were not doing enough for our own area. Of course, he was not suggesting for a moment that we should not do things for other areas. We all benefit by this. If the people of Nova Scotia or of New Brunswick are not prosperous, then neither are we in Upper Canada. Not only are they our market but they are our people and our brothers. We, as Canadians, have a great interest in seeing that prosperity spreads across the country. I agree the answers are not easy. The hon. member for Battleford-Kindersley (Mr. Thomson) mentioned the contribution the older people have made to the development of this country. This concerns me, because as I go through an election campaign or, indeed, through my own riding, I hear

people say: Our taxes are too high; what are you doing for us now? In my view, the maturity of a society can be judged to a large extent by the way in which it looks after its older people. In my sense of priorities in this job I put the older people, combined with those others who cannot look after themselves, at the top of the totem pole because of the contribution some of them have made to the development of this country.

I take this attitude having in mind all they have done for this country, as the hon. member who has just spoken so eloquently reminded us, and because we are not bound to do these things. There is nothing in it for us. I think we reflect honour upon ourselves and upon our country if we forget considerations of our own advantage and take measures to look after those who have contributed to the building up of this country but who can do so little for themselves. Only we can help them.

My second priority is youth. This, I suppose, amounts to selfishness because we always try to manifest our best aspirations through our children. We try to give them the best possible education and the best standard of living we can. As for those of us who have reached, so to speak, a menopausal state—

Some hon. Members: Speak for yourself.

Mr. Danson: —we have our problems in the shape of high taxes, the high cost of living, inflation. These are with us and they will not go away. However, from generation to generation difficulties of one kind or another have always existed. We solve some of them, but not all of them, and as some are disposed of, new ones arise.

The young generation criticizes us for making mistakes, and indeed we have made a great many. The new generation will make mistakes, too. But we can only roll with the times as we see them and do our best. If we are doing less than our best, we ought to be criticized. As far as improving the lot of senior citizens is concerned, people are always willing to do this as long as they are not called upon personally to meet increased taxation. The approach commonly taken is to say: Let us see greater efficiency in Ottawa; let us try to same money and cut down expenditures. I could not agree more. However, in my brief experience of examining estimates for visiting departments, I have found the degree of efficiency or inefficiency is comparable with that to be found in most large corporations. Some departments are more efficient than others. This is the case in large corporations, too. There is always room for improvement, but I suggest the main savings to be made, if they are to be made, lie in the field of government programs—things we are doing and which we ought not to be doing, or things we are failing to do but which we should be doing.

I wish it were possible to save enough money to meet all our urgent needs without recourse to further taxation. Then, as I go home at weekends and as I pass the liquor stores with their line-ups, I am absolutely amazed. It is as though it were Christmas. This is in an area where people are making good incomes and complaining about high taxes. Our problems are the problems of prosperity. We have too much going for us in this country to be "snowed" by talk of great inefficiences, that we cannot afford to do this or we cannot afford to do that. We should be ashamed if we cannot do those human things in a civilized society that should be done; and we must help those who cannot help themselves.

• (5:40 p.m.)

This is what we are talking about today. We must look seriously at the problems we face and the problems other people have. I have mentioned before decisions that are made, such as whether to get a colour television set or an extra one for the bedroom; whether to get an extra car or a Ski-doo, or whether to have a Ski-doo for him and a Ski-doo for her. Although these decisions do not confront everybody, they do confront those who pay taxes. It is very easy for me to speak in this way because I do not have a pat solution. But we must face this situation honestly, and not take it out of the hides of older people who cannot defend themselves.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I am happy indeed to associate myself with the motion and to state unequivocally that I am wholeheartedly behind it. I think the hon. member for Winnipeg North Centre (Mr. Knowles) is to be congratulated for introducing this motion before the house.

I did intend to speak in this debate though I thought I would make my appearance after the supper adjournment. However, I must say I am considerably surprised to note that so far in this debate, in addition to the minister himself, only two members on the government side of the house have seen fit to stand up and support this worth-while

motion. The hon. member for York North (Mr. Danson), who has just resumed his seat, is also apparently, at least to a degree, in favour of the principle behind the motion. We on this side of the house hope he will go to his caucus and try to convince the members who sit on the government side of the house that they should do something about this very serious and pressing problem.

I refer, of course, to the problem facing many of our senior citizens today, many of whom are trying to exist on an old age security pension that is very much less than sufficient to allow them to maintain a reasonable standard of living. I agree with the members who have advocated that our old age pensions should not be tied to the cost of living, though this is not necessarily the criterion by which the pension should be judged. I take very serious exception to the fact that our old age pensioners who are in receipt, perhaps, of $108, $106 or $105 a month, with wives who receive the same, are classed for income tax purposes as single people.

For example, supposing these pensioners have no income other than their pension. In many cases they fall into a category that puts their income over $1,500, and consequently they have to file an income tax return as a single person. This is a real hardship because in many cases such people have very little income in excess of their pension. There may be a little interest coming in that brings their taxable earnings above the $1,500 ceiling, and this makes them liable for payment of tax.

I suggest that some relief should be given to such a couple. A regulation could be passed under which the old age pension received would not be counted as taxable income unless the over-all income exceeded a certain amount. I can assure the house, though I do not think the house needs any assurance, that in many cases this works a very definite hardship on our old age security recipients.

I am happy to say that the government in my province realized the $75 basic pension was not enough. As a result the Conservative government of Prince Edward Island, and let it be said to their credit, the Liberal government that followed them, passed an order in council which guaranteed old age pensioners above the age of 68 a basic old age pension of $100 a month. For example, if a pensioner's regular old age security pension plus the supplement amounted, say, to only $78, the province pays the additional $22. No person, therefore over the age of 68 resident in my province will receive a pension of less than $100 a month.

Even that is not sufficient. We all know how the cost of living has increased during the last few years. We know how much it has increased since the basic amount of $75 a month was fixed by the government. Surely, the government should take some notice of this and grant relief to people who, in many cases, are struggling very hard but are not able to make ends meet on the $107 or $108 a month they are now receiving.

I also suggest that, while we are on this subject of taxation, some consideration should be given by the government immediately to revising the archaic and outmoded exemptions allowed taxpayers. The amount of $1,000 exemption for a single man today is absolutely ridiculous, as is the exemption of $2,000 for a married couple. These were the exemptions in 1919. We all know how much the dollar is worth today compared with what it was worth in 1919. We all know how much more it costs to raise and educate a family today compared to 1919. As I say, these exemptions are outdated and outmoded. In all fairness to the people of Canada, the government should give some consideration to increasing them.

I realize it will probably mean a loss of revenue if these exemptions are raised, but I suggest to the government that this loss of revenue could very well be overcome by eliminating waste and extravagance in many departments of government. This is where a great deal of our taxpayers' money today is swallowed up. Government departments are not properly supervising the spending of money. On all sides you can see waste of government money.

I am happy to go along with the suggestion of the hon. member for Winnipeg North Centre that some consideration must be given to those in receipt of war veterans allowance. They are very definitely worthy of consideration. I think it is high time that something was done to correct the situation. Our pensioners are trying to get along with inadequate incomes. It is absolutely unfair to our war veterans, who have served their country well, that we confine them to receiving small pensions. Often our veterans have to fight with the authorities to receive even the pitiful war veterans allowances that are granted. I submit that something should be done at once to correct this situation. For many years our veterans have not been getting a square deal from the government, and any government correcting the present inequitable situation

will do well. The people of Canada will approve its action. I, therefore, hope that the motion before the house will receive favourable consideration by the government.

• (5:50 p.m.)

Let us not make this day's debate another exercise in futility. Much in this motion is very worth while. I trust that the government will not consider that what has been said has been said as a matter of course, just because the New Democratic Party has been assigned an opposition day. I hope the government will listen to what the hon. member for Winnipeg North Centre had to say and to what others following him said. I know he is sincere in presenting his motion before the house. He has presented it in the hope that other hon. members will join him in convincing the government that something should be done to correct the injustices from which our pensioners and old people in this country suffer. I, therefore, implore government backbenchers to try to persuade those sitting on the treasury benches, who control our purse strings, to do something to correct the injustice being perpetrated against our senior citizens, war veterans, retired civil servants and other pensioners. It is very difficult for these people to live at the standard to which they are entitled. All Canadians are entitled to live at a high standard. Surely, a country as rich as Canada, with an abundance of natural resources can give its pensioners and old people a better break than they are now receiving. I earnestly recommend this motion to the government and hope that steps will be taken without further delay to correct the inequitable situation facing our pensioners and old people.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for bringing before the house this important issue affecting most people in Canada. For many years he has been the champion of our older people and has fought for increased pensions. Although I am young, I am concerned about many inequities I have seen across the country. Injustices have been perpetrated against our people regardless of race, religion or age.

It seems clear, if we examine our society, that as a group, older people have been discriminated against more than any other sector. Although we may talk about equality of opportunity for all, the dignity of life and the contributions of all people to our society, I feel terrible when I see what is happening to our older people. Not only are our older people discriminated against economically, but some suffer loss of social dignity and loss of pride. That is disgraceful. I could cite many examples where senior citizens in the constituency of Yorkton-Melville are barely keeping alive on $100 a month. They live in houses not fit for human habitation and try to pay medical and drug bills. Yet, these are the people who built Canada. I do not say we should pay them a whole series of extra benefits and extra rewards; I am merely saying that they should be treated as all the rest of us are treated. They should get the opportunities the rest of us receive in Canada. Many of our older people are not getting that kind of deal and, as Members of Parliament, it is up to us to make sure that our older people live on a decent standard.

In my riding of Yorkton-Melville, for example, a number of railway employees are talking about the raw deal the C.N.R. has given them in connection with pensions. Statistics show that nearly 400 retired C.N.R. employees are receiving pensions of less than $25 a month; 2,250 other employees are receiving pensions of $25 a month and over 8,000 C.N.R. employees are receiving pensions of less than $80 a month.

Mr. Deputy Speaker: Order, please. The time being six o'clock, this sitting stands adjourned, until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

MISCELLANEOUS ESTIMATES

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, would the house allow me to revert to motions, in order to present the fifth report of the standing committee on miscellaneous estimates?

The Acting Speaker (Mr. Béchard): Does the house agree to revert to motions?

Some hon. Members: Agreed.

Mr. Leblanc (Laurier): Mr. Speaker, I have the honour to present the fifth report of the standing committee on miscellaneous estimates both in French and English.

[*Editor's Note: Text of foregoing report appears in today's Votes and Proceedings.*]

Suggested Pension Payment Corrections

[*English*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (4) (a)—SUGGESTIONS TO CORRECT ALLEGED ANOMALIES IN PAYMENT OF PENSIONS

The house resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre).

Mr. Nystrom: Before the supper hour, Mr. Speaker, I was able to begin my remarks on the motion by the hon. member for Winnipeg North Centre (Mr. Knowles). At that time I said there were one or two underlying principles that should be mentioned and this is why I rise to participate in this debate. As a young person, I said I was not only concerned with problems relating to my own generation, minorities and depressed peoples in various parts of the world. I am concerned with the problems of the powerless and under privileged minorities, as well as with problems of groups in our own society in Canada and indeed around the world.

I sincerely believe it is a right for our senior citizens to have a decent standard of living. It is a social responsibility and obligation of members of parliament to ensure that the elderly people of our country have a decent standard of living. They should not suffer from the financial barriers apparent in today's society. The treatment of many pensioners in Canada is degrading and at times inhuman. This should not happen in our affluent society.

Before the dinner hour I began to quote statistics relating to problems brought to my attention by my constituents, in particular employees of the C.N.R. in Melville. I stated nearly 400 people receive pensions of below $25 a month from the C.N.R. Just to reiterate, 2,250 receive a pension of $25 a month and over 8,000 receive pensions of less than $80 a month. I do not blame these people for being upset and not wanting to tolerate this injustice to former employees of the C.N.R. Why do members of this house who are responsible for the actions of the C.N.R. allow this situation to rest on their consciences? It is not only employees and ex-employees in the city of Melville who are unhappy about these pensions.

Every year the interest on the C.N.R. pension fund is greater than the total amount of money paid by way of pensions. This is ludicrous. It is no wonder C.N.R. employees are asking for more pension benefits. They deserve them. I agree with the retired railroad workers. It is typical of the society we live in that there are many contradictions. We all know that the railway companies have been subsidized for many years by the government to the tune of many millions of dollars. At the same time, many people who have worked in building these railways must live on incomes at the subsistence or poverty level. We keep them poor.

There are many more contradictions in our society. United States automobile manufacturers, mining companies and huge corporations are subsidized by the government of Canada. Yet 20 per cent of our population live on incomes of $3,000 a year, 40 per cent with $4,000 a year or less. Is this the kind of justice we want in our society? Basically, Mr. Speaker, this can be summed up as socialism for the rich and dog eat dog free enterprise for the poor. This is the situation of many railway workers in this country.

While travelling to speak at a conference in the city of Brandon, I read in a newspaper an article concerning a man who made several millions of dollars last year, tax free, because of the many loopholes in our tax system relating to capital gains and foreign investment. His chauffeur, who is paid a salary of $300 or $400 a month, had to pay income tax. This is one of the many contradictions in our modern society. Members of parliament must do something to change this system. Something must be done to stop the subsidizing of corporations and to help the people who work for these companies. The attitude of some people can be summed up by quoting the remarks of a Liberal M.L.A. in the legislature of Saskatchewan. When talking recently about tough and damp grain, he stated "Farmers who have considerable quantities of damp wheat are stupid". This is the attitude of too many parliamentarians across Canada.

It is ironic that we can send men to the moon to explore outer space but we cannot give our elderly people $125 or $150 to live on each and every month. It seems very odd that we can send men around the moon but cannot even sell wheat. It seems odd that we can reach out in outer space and cannot reach out to the feelings of other people with human dignity and pride. This is the kind of society in which we live. I maintain we must change this type of society entirely and the older people of this country are victims of one facet

of that society. We must change the institutions of this society. Institutions are only man made and we, as members of parliament, must change them. There are very few of us who can do it by ourselves or who can change history ourselves. We have had, for example, a few people like Martin Luther, Karl Marx, Thomas Jefferson and even Christopher Columbus, when he discovered a new world, who have changed history. But this does not happen very often and will not happen to any people in this chamber. The history of our times will be written by what each and every one of us does as individuals in his or her own community.

• (8:10 p.m.)

I plead with you, Mr. Speaker, to make parliament more supreme as a law making body here in Canada. I think if we do not do this we will have nobody to blame but ourselves. If people become more and more restless and if people like the old age pensioners in this country do not get more money we will have nobody to blame but ourselves. If people start protesting we should not ask why. Let us start reflecting upon ourselves and this institution.

I think at this time, before going on, I should like to read a couple of quotations by some gentlemen who I think people here will consider speak the gospel. First, I should like to quote the Right Hon. Lester B. Pearson, when speaking at Queen's University on January 31 this year. He said:

> Not dissenters, but those who would diminish or deny the right to dissent are really the dangerous revolutionaries. By damming the avenues of peaceful and evolutionary change, they make violent change inevitable.

Mr. Speaker, I am pleading that we make some basic changes today. The former president of the United States, John F. Kennedy, said:

> Those who make peaceful revolution impossible will make violent revolution inevitable.

So, therefore, I think it is our duty as members of parliament to ask that many things be changed and indeed make changes in a lot of the things in our society. This is why I stand up today in an effort to fight for the old age pensioners of Canada and the old age pensioners in the constituency of Yorkton-Melville. I think all of us know there is a minimum of at least one and a quarter million old age pensioners here in Canada. Many of these people are not living on a decent standard. Many of them are in poverty or are living at a mere subsistence level. I should like to quote a couple of paragraphs from *The Elder Statesman* of November, 1968. The article is entitled "Senior Citizens 'The Victims of Inflation'". It reads:

> Senior citizens have long been the victims of inflation.
>
> The post-war (World War II) price spiral has gone up and up, without let-up.
>
> As wages and prices expand pensioner incomes shrink. The small monthly cheques they receive buy less and less.
>
> Wages and prices shoot upward each year. Until now pensions have been fixed, with only slight increases granted at rare intervals. These pitifully small increases to pitifully small pensions, have tended to be "too little," and often, "too late."

Later, in the same article one reads:

> It is obvious that the gap between wage income and pension income will continue to widen. It is equally obvious that with a small increase in income, and a big increase in prices, and cost of living each year, pensioners are dropping to lower depths into the pit of poverty.

I think it is a crime in a country like ours that many of our pensioners are among the poorest in the poor wage brackets. I think it is a crime to give these people rewards of poverty and subsistence. Often the type of pensions we give these people are hand-outs, like welfare. To many of these people, this is very humiliating. This must be drastically changed. For example, many of the old age pensioners who receive $110 a month have many expenses. They have the expenses of housing, and all that goes with it. They have to pay for fuel, electricity and telephone as well as the maintenance of the house. They have to pay health costs. In Saskatchewan, old people are more fortunate because there is a comprehensive medical care plan in that province. But they still have to pay for their drugs and many of the old people have high expenses in respect of drugs. They have to pay for clothing, for food and for many of the other incidental expenses involved in everyday living. This is unjust.

I think in every city, small town and community in Canada, all of us know many examples of people living in poverty who are almost starving. I remember during the election campaign, when I was knocking on doors in a small community, while going down a street I saw an old shack which I thought was abandoned. I was about to walk by until I saw smoke coming from the chimney. I walked on, and there was an old man 80 years old standing in the doorway. He was dirty. It was a one room shack and the place was dark. He did not have electricity but used coal oil and gas lamps to light his house.

He used wood for fuel and told me the place was unbearably cold in the winter. He said he had hardly enough to eat. I believe all of us find similar examples in Canada. Often, we have these contradictions, but we try to justify a lot of corporate expenditures and enterprises in Canada which at times do not seem to have a social conscience. We do not seem to recognize the poverty which exists in our country today.

We have technology; we have the computer, and yet people are living in poverty. Our old age pensioners are not given dignity in this country. Life keeps moving on faster and faster and the old people keep getting further and further behind. We could change this if we would provide an entirely new system. We can increase the pride among members of society and can increase the quality of life. The hon. member for Winnipeg North Centre (Mr. Knowles), when speaking this afternoon, outlined in detail some new approaches that should be taken with regard to the older people of our country. He talked about the automatic escalation clause by which the old age pension would be adjusted frequently according to wages and income in this country. He suggested that it is not enough to adjust pensions according to the cost of living. Many of these things I think should be done. I think it is possible to have a cyclical pension review, for example, similar to what was done with the civil service salaries a few years ago. We should have automatic and regular adjustments and readjustments of pensions in Canada according to the cost of living, according to wages and according to the gross national product.

I think we should get rid of the means test because in many instances this is not only degrading but is humiliating for many people. We cannot always sacrifice human values for efficiency. For what is efficient is not always necessarily effective in promoting human comfort and human understanding. Thirdly, I believe the old age pension in this country should be raised at least to a minimum of $125 and hopefully $150. I think we are an affluent enough society that we should be able to provide this here and now. We should have done this years ago. This is a right; it is not a hand-out which we should be giving to the older people. I hope we start recognizing some of these human values in our society. I, as an individual, am grateful to the older people of our country. They have laid a good deal of the foundation for our society. I think we should expand and build upon that foundation. We should give them the courtesy of a decent standard of living. We can and must do at least that much.

In conclusion, I should like to say that if we do not do some of these things here and now, if parliament and the government do not do some of these things, to give these people a decent break, direct action will have to be taken not only by the senior citizens but also by the other groups which are interested in promoting their welfare. I should like to ask the trade unions, for example, to help mobilize public opinion in favour of the older people. I would like young people's organizations in general to join in this type of crusade. The senior citizens themselves should organize and exert pressure on the government to recognize their needs. The government, then, will not only have to listen to them but will have to act. They will have to be doers. If we can mobilize public opinion in this way, the government will become sensitive and will have to do something.

• (8:20 p.m.)

I will stand with them, Mr. Speaker, and I will fight with them under the circumstances which prevail. I will do my utmost to obtain for them a standard of living which everyone in this country should enjoy.

In conclusion, let me say once again that I appeal to the government to re-assess its whole philosophy and outlook in respect of these people in this country. Let us look at the whole society and the outlook of these people who are underprivileged, and I have in mind particularly the old people, Mr. Speaker.

Mr. Ross Whicher (Bruce): Mr. Speaker, it is most unfortunate I did not have the opportunity to listen to all the speeches made this afternoon. I feel that I should have had that opportunity, but it was my own fault I had to be in another place. I should have had the opportunity to listen to the hon. member for Winnipeg North Centre (Mr. Knowles). I know he would have had a great deal to offer to a debate such as this. The only hon. member I heard was the hon. member who spoke last, and I want to say to that young man that I appreciate his ideas greatly. He is the same as the rest of us in this house, no matter to what party we belong. As a matter of fact, all of us hope that there could be a heaven on this earth. All of us hope that we might see, recognize and include not only all the old, the mothers, fathers, and grandparents but also

the disabled, the blind, those, people who unfortunately are on mothers' allowances, old age assistance and those who live in the circumstances of poverty which the hon. member described.

I want to say, since I have heard from other hon. members of parliament, that regardless of what party they belong to I am sure they recognize the fact that all is not heaven in this Canada of ours. We would like to make it that way. We have been told in the Bible that heaven is in another place. All we can hope is to do our best to attempt to remove this poverty and give these older citizens of Canada, as well as those other people who have been neglected the better things of life in this country.

Let me say this. Everyone knows there are many of our elder citizens in Canada who deserve much more. Every member in this house knows that the reason you and I are here is that our fathers, mothers, grandfathers and grandmothers wanted us here; this is self-evident. We know perfectly well we want them to have the very best things in life.

The one thing I did not hear my hon. friend speak about a few minutes ago when he made his very fine speech was this. He did not say where the happy medium was. The only thing he said was, they are not at this moment getting enough. He did not say whether they should get $500 a month, and that is what I would like to know. I have a father and a mother, Mr. Speaker. Some of us have parents living and some of us have not. I have a father and a mother who are now receiving the old age pension. As a matter of fact, I have a mother-in-law and a father-in-law who are on the old pension as well. Anybody in a position such as this would want them to get all the money they possibly can to enjoy this better way of life; to enjoy some of the benefits of this just society that we hear about in Canada.

Som hon. Members: Hear, hear.

Mr. Whicher: I should like to know whether the hon. member for Winnipeg North Centre suggests that $500 per month is enough. If the present government gave these people $500 per month would the hon. member stand up and say that is good enough or would he want $600? I know these people well enough. If you gave them $1,000 they would want $2,000. Where are we going to get the money? I did not have the opportunity to hear my learned friend this afternoon, but I would like to hear a man who has been in these halls for as long as the hon. member for Winnipeg North Centre tell us where we are going to get this money. I listened very attentively to the last hon. member speak, but he did not give us any indication of where this money would come from. What we have to remember is that there is great poverty, and in too many instances the citizens in Canada who receive the old age pension are living in poverty. There are many younger people who are paying taxes in order that these old age pensioners can receive their pensions.

There is a great amount of work being done in order that people may pay taxes to provide pensions for our grandmothers and grandfathers. I say to you, as small as it may be, we are providing a livelihood for these people in Canada. Where does this money come from? Where is the amount we pay these people equalled? I listened to the hon. member for Winnipeg North Centre very carefully, and I have done a lot of reading in my life about the socialistic island of England. I should like to know whether people are better off there than they are in this country. I suggest that country gives no more than about the equivalent of $10 per month to their elderly citizens.

An hon. Member: What about Sweden?

Mr. Whicher: I notice there is some mention about veterans' allowances. What is the comparison between what our veterans get and what veterans get under social security in England? We must remember that there is a sea of socialism in that area. I doubt whether the hon. member brought this to the attention of the house this afternoon, because those veterans in England receive very little in comparison to what our veterans here receive. I say on behalf of the Minister of Veterans' Affairs (Mr. Dubé) that hon. members of the house here tonight should be proud of the way we are treating our veterans here in Canada.

Of course we could do better, Mr. Speaker. Instead of taking 52 per cent from our corporations which we do today, perhaps we should take 75 per cent. Instead of taking 90 per cent from people who are making a lot of money in Canada, let's take 100 per cent. In this way, we could drive them away from Canada, just as we have done in the past. We have done so to a greater extent than any country in the world.

Some hon. members suggest that the country to the south of us is the greatest and the wealthiest country in the world. Let me say

to my hon. friends, as members of this House of Commons that we want to help our senior citizens, people on war veterans' allowances, people on disability pensions and others. Let us compare what we are doing with what is being done in that wealthy society to the south of us.

What they have in the United States is similar to the Canada Pension Plan. They have not got an old age security plan. There are many of us on this side of the house who have a great deal of respect for the former Prime Minister of Canada who could criticize those people to the south a little bit. At the same time we have an obligation to initiate something on our own behalf and some years ago the Canada Pension Plan was started. This plan was adopted by corporations and small businesses which put certain sums of money into the government fund. This is what we call a social security tax. This remains unknown in the United States today.

Through the old age pension plan, we are trying to come up with a satisfactory social measure. This is a situation which has been considered ever since this plan was negotiated. This is a plan which the people in this House of Commons can appreciate, and one of which the members on this side are proud, as they have been ever since this government came into power. Hon. members in other parties may be dissatisfied. They are inclined to say that if old age pensioners can get $150 per month they should get $175; if they can get $110 they should get $125, and if they can get overall benefits to the extent of $500 they should get $1,000. These hon. members say this because they know they will never be called upon to find the money to pay these pensions.

• (8:30 p.m.)

I hope the hon. gentleman who initiated this resolution will live for another hundred years, because he will find that the government will never have the power to initiate the policies that he wishes inaugurated according to his resolution.

All of us wish to change this society of ours. All of us want to make it better. But where would we like to live? Would we like to live in Hungary, Cuba, Russia, Israel, Germany, or France; or would we prefer to live in Canada? Everyone in this country, regardless of the party to which he is affiliated, is proud of this country. Everyone is trying to improve the conditions under which we live, even those of us who sit on this side of the house.

[Mr. Whicher.]

Mr. Lundrigan: Mr. Speaker, I would like to ask the hon. member a question. I listened last week for half an hour, and again today for 15 or 20 minutes, to the problems facing our Canadian nation. The hon. member has told us that in the whole area of social development we do not have any problems. I ask: Do we have any problems in Canada? The hon. member has said that we have no problems. I believe we have some problems, and I should like the hon. member to deal with them.

Mr. Whicher: Mr. Speaker, I did not have the opportunity of the hon. member for an education. I came from a very poor family. I have listened to a university professor with great intelligence, and I hope that my answer to his question will be more intelligent than the question which he asked. We have problems, and I, as one of the members of my party, agree that we have problems.

Mr. Knowles (Winnipeg North Centre): You are one of them.

Mr. Whicher: I imagine that I am one of them; I am one of the problems in my party. You are no problem to your party. We accept the fact that we have many problems in Canada. Of course, we have. However, since I was elected to this House of Commons last September I have been listening to questions about these problems and I believe that the answer—

Mr. Lundrigan: Mr. Speaker, I would like to say that I am getting a little confused in this regard. My question is this. A great many people in the forestry industry—and my question is specifically on the forestry industry—believe they have been discriminated against and have no rights in this respect. I have received letters in this regard. The hon. member has indicated that there are no problems in this area. I ask him whether in fact there is a problem in this area, or whether we do not have a problem at all. Is the hon. member saying that in Canada we do not have such a problem?

The Acting Speaker (Mr. Béchard): Order, please. I would like to ask the hon. member how many questions he has which he would like answered.

Mr. Whicher: Mr. Speaker, the answer to the question is obvious. The constituents of the hon. member are asking questions of a learned man. If they were asked of me, I would be able to solve them.

Mr. Lundrigan: On a question of privilege, Mr. Speaker.—

An hon. Member: You are just getting worse.

Mr. Lundrigan: Mr. Speaker, the hon. member has alluded to the fact that the hon. member for Gander-Twillingate has not had an education. I cannot deal with the question of whether or not the hon. member for Bruce has an education; that is his problem.

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Yorkton-Melville (Mr. Nystrom) on a question.

Mr. Nystrom: Mr. Speaker, would the hon. member for Bruce (Mr. Whicher) be willing to answer a question at this time?

Mr. Whicher: I would, with pleasure.

Mr. Nystrom: The hon. member said we did not have any sources for obtaining revenue such as this. Would the hon. member be in favour of a capital gains tax to raise money to improve the plight of our old age pensioners?

Mr. Whicher: Mr. Speaker, this is a very sensible question. I would be very much in favour of having a capital gains tax in Canada.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, perhaps we could come down to earth for a moment. I rise to speak on the motion introduced by the hon. member for Winnipeg North Centre (Mr. Knowles), and do so with sincere regard for all senior citizens. But at this time, I wish to speak specifically with regard to war veterans allowances and pensions. The War Veterans Allowances Act was first introduced in 1930, and in the 39 years of its existence it is my opinion that not enough consideration has been directed to the veteran, especially that veteran who is of advanced years and has no means of coping with the progressive increase of costs with regard to his material needs.

The hon. member pointed out very forcibly the need for reconciling the progressively increasing cost of living in comparison with wages and other areas of productivity in the country, but for some reason or other we seem to forget the aged veteran who is partially disabled and, more important, those aged war veterans who are totally disabled.

Suggested Pension Payment Corrections

For the six months that I have been here in parliament I have read, repeated comments by the Prime Minister of the country (Mr. Trudeau) and members of the cabinet about their dedication to equal opportunity for all Canadians regardless of race, creed or colour; but I suggest, Mr. Speaker, that they should add the words "regardless of their condition and capability".

I refer again to the war veteran who, through devotion in war service, is partially or completely incapacitated and cannot earn any type of income. The War Veterans Allowance Act was amended in 1952, again in 1955, in 1957-58, and again in 1960 and 1961, but it has failed to protect the Veteran from the obvious runaway rate of increase in the cost of living.

I am sure that all members of both sides of the house are sympathetic toward the needs of the war veteran and agree that the government should give immediate consideration to the introduction of legislation to improve the position of all senior citizens. I am sure, too, that all hon. members who are war veterans themselves have every sympathy toward the plight of the particular veteran in advanced years. If anyone who does not attend the parliamentary committee on veterans affairs would care to visit that committee some time, he would find this is one group of parliamentarians who have one aim in mind, regardless of partisan politics, and that is to improve the plight of all war veterans. They take this attitude with regard to loans under the Veterans Land Act and all legislation having to do with those who served during Canada's involvement in past conflicts.

So I say with all sincerity, Mr. Speaker, what are we waiting for? The Woods' report of the committee to survey the work and organization of the Canada Pension Commission has been ready for months. The committee has received submissions, carefully prepared, from every veterans organization in Canada. The Royal Canadian Legion has prepared comprehensive comments on the report. The Hong Kong Veterans Association of Canada has presented a brief pertaining to the recommendations of the Woods' report. We have a joint statement by the National Veterans Organizations of Canada and a submission by the National Council of Veterans Associations of Canada. What are we waiting for?

• (8:40 p.m.)

What are we waiting for? Let us get the white paper completed and tabled so we can

set to work for this important group of citizens of Canada who, because of age or infirmity, are no longer able to make their way in the employment field.

I feel I should pay a tribute to the members of the war veterans allowance board for their comprehensive report setting out the activities of the war veterans allowance program. It is interesting to note—and I mention this so that we may be made more aware of our responsibilities in this direction—that the average age of recipients of war veterans allowance who saw service in the first world war is now 75, and that the average age of those who served in the second world war is 59 years. Some hon. members may be surprised to learn that there are widows of veterans of the 1885 war still to care for, or that 182 veterans of the South African war and 415 widows of men who fought in that war are still receiving allowances. I thought these figures might impress those whose responsibility it is to care for these Canadians.

Again, Mr. Speaker, I compliment the board on its work over the years and trust they will continue their sympathetic consideration of the cases of all veterans who apply for allowances, and that generosity will be shown when deciding the amount which veterans in receipt of allowances are permitted to earn. I repeat my expression of concern about the need to improve the position of all senior citizens in our country and on behalf of all opposition members who have similarly expressed concern in the course of the day's debate, I plead for action on the part of ministers who have the power to deal with this situation. Let them do so without further delay

Mr. McIntosh: May I ask a question? My question is directed to the Minister of Veterans Affairs (Mr. Dubé) through you, Mr. Speaker. I would ask Your Honour to consider that the minister has been sitting here all afternoon and this evening. In view of this, perhaps you would allow him sufficient time, before ten o'clock, in which to speak. I imagine he has a statement to make with regard to war veterans allowances, a statement which is long past due. Would Your Honour give him time to speak before ten o'clock?

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I want to thank the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for having paved the way for my speech. In fact, I wanted to say only a few words when he asked me to participate in this debate.

I have been in the house since the discussion started on the notice of motion of the hon. member for Winnipeg North Centre (Mr. Knowles) and I was waiting to speak until a member of the opposition dealt with the subject I am particularly concerned with, namely veterans affairs.

Mr. Speaker, on February 17 last, in the course of a debate started by a member of the New Democratic party, the hon. member for Waterloo (Mr. Saltsman) on the adjournment motion, I was saying that several war veterans are already in receipt of a guaranteed annual income, as is proposed by his colleague, the hon. member for Winnipeg North Centre. Of course this guarantee is a result of the application of the War Veterans' Allowance Act which, as all hon. members know, has been in force since 1930.

Of course, as I was saying, most war veterans, fortunately, are integrated in the Canadian labour force and they can look after themselves. We are happy and proud to see that a great number of war veterans are very successful and that some of them have achieved a very high status on their own initiative.

However, in this field as in others, not all war veterans have been fortunate and healthy enough to become successful. Therefore, it is the government's responsibility to help them obtain promotions, to succeed and to survive, in some instances.

In fact, since 1930, more than 300,000 war veterans have benefitted from this legislation. Mr. Speaker, I should now point out that this legislation does not apply to all war veterans. It provides only for those who need financial assistance, in the first place, as it would be quite useless for the government to assist those who are getting along very well already. Furthermore, the law applies only to those who fought on an actual theatre of war and to those already in receipt of a disability pension or who served during both world wars.

Other limitations concerning the age of applicants are included in the law. In fact, only those having reached the age of 60 are entitled to an allowance or those under 60 suffering from a physical disability. For those war veterans of the opposite sex—the fair sex, evidently—allowances can be paid to those aged 55.

At the present time, some war veterans are entitled to an allowance which, in addition to

their income from other sources, guarantees a maximum annual income of $1,740 to those who are single and of $2,940 to those who are married. War veterans not in receipt of a personal income are entitled to an allowance of $105 monthly in the case of single persons and of $175 monthly for those who are married.

On the other hand, if he is able to prove he qualifies, he is entitled to receive from the Assistance Fund a supplement proportionate to his needs, but which does not bring his total income over the maximum amount I have just mentioned. Perhaps the hon. member will be interested in learning that two thirds of the veterans who receive allowances receive also the old age security pension, and in some cases the guaranteed income supplement, so that their income reaches the maximum allowed.

Moreover, the two increases brought to the guaranteed income supplement and to the old age security pension in 1968 and in 1969 are not taken into account for the calculation of the maximum amount allowed according to the War Veterans Allowance Act.

In the course of the afternoon, someone raised a question in this respect and my colleague, the Minister of National Health and Welfare (Mr. Munro) answered it.

It should also be pointed out that veterans who receive allowances and who work occasionally can, within the established limits require that this income be not taken into account in calculating the maximum set by the legislation. For instance, the maximum income of a married beneficiary is $4,140, whilst it is $2,540 for a bachelor. Those figures show that the situation of veterans is better, owing to the provisions of the War Veterans Allowances Act. As hon. members well know, there are other benefits in addition to those allowances, for instance free hospitalisation, and free medical care.

The provisions of the act have been constantly extended since it became effective. As a matter of fact, they have already been amended 14 times. The rates have been increased periodically taking into account cost of living increases. These provisions are under continuous review as we can be seen, for example, in the allowance to a single person which was $20 a month in 1930 and which amounts now, in the same circumstances, to $105 a month. The government intends to continue its review of this act and, periodically, to correct the rates if circumstances warrant it.

Suggested Pension Payment Corrections

In 1962, parliament approved a similar measure known as Part XI of the Civilian War Pensions and Allowances Act. This legislation provides for the extension to some civilian groups of the benefits provided for in the War Veterans Allowance Act, in the case of civilians who have rendered meritorious services to the nation in wartime although they were not in the armed forces. Included in such groups are, for instance, merchant seamen, volunteer firemen, members of the *Newfoundland Overseas Forestry Unit*. Therefore, those people enjoy a guaranteed annual income for the same reason as the recipients of veterans' allowances.

• (8:50 p.m.)

Moreover, a considerable number of veterans and dependents regularly receive allowances under the Pension Act. While speaking of the Pension Act, I am not of course referring to a welfare legislation as such, but rather to a compensation plan for disability or death due to military service or having occurred meanwhile.

At the end of the last calendar year, that is on December 31, 1968, 166,000 pensions had been paid under the Pension Act. This pension is payable as long as the eligible disability remains. Thus, it can be said that this legislation assures a guaranteed annual income. I should specify that the pensions paid under the legislation are by right an indemnity and cannot be considered as welfare benefits.

I should also, Mr. Speaker, make another point quite clear. I stated previously that whoever receives a disability pension under the Pension Act is thereby qualified for benefits under the War Veterans Allowance Act. Thus, a veteran who draws a small pension, due to a partial disability, can have his income raised to the maximum amount provided by the War Veterans Allowance Act, as long as he meets the other requirements. Therefore, those programs are very important and we have an idea of their scope if we consider that in the estimates for the next fiscal year, parliament is asked to vote $224 million under the Pension Act and $103 million under the War Veterans' Allowance Act and the Assistance Fund. Those are huge amounts and they are an evident and tangible sign of how concerned the Canadian government is and has always been with respect to veterans.

It will be recalled, Mr. Speaker, that in 1965, a special committee established by my

predecessor and placed under the chairmanship of Justice Mervyn Woods was asked to study the Pension Act. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) who spoke before me was inquiring about the report of this committee.

As I have already pointed out briefly to the house, and I wish to take the opportunity to recall it again to the interested parties—this report is not forgotten. In fact, the officials of my department as well as of other departments have been asked to study thoroughly the scope of the recommendations and the cost of their application. Those who have taken the trouble to glance at this report have realized its complexity. It can easily be noted that it is lenfithy, containing nearly 1300 pages and 148 recommendations. These recommendations, their scope and their cost must be studied—

[*English*]

Mr. McIntosh: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Swift Current-Maple Creek on a point of order.

Mr. McIntosh: I am sure that the house appreciates everything the minister has been saying, but I think he is a great distance away from the subject before the house tonight. What he is giving is a resumé of veterans legislation, including the pensions act, which has absolutely nothing to do with war veterans allowance. When I asked you in the first place, Mr. Speaker, if you would give the minister an opportunity to speak tonight, I was quite sure that he would unveil some new legislation with regard to war veterans allowance. I think that is what we want to hear, not a resumé of veterans legislation in general. We will have an opportunity later on for that.

The Acting Speaker (Mr. Béchard): Order. I imagine that the legislation will come later.

Mr. Dubé: Mr. Speaker, what the hon. member for Swift Current-Maple Creek (Mr. McIntosh) wishes to hear may not be exactly what his colleague wishes to hear. I am trying to answer the question posed by his own confrere with regard to the Woods committee report. If he does not wish to hear more about the report I will—

Mr. McIntosh: I wish to hear about the War Veterans Allowance Act, which is what we are talking about tonight. Tell us something about that.

[Mr. Dubé.]

Mr. Dubé: If only the hon. member would contain himself and listen to what I have to say, he would have heard plenty about the history of the War Veterans Allowance Act.

[*Translation*]

Mr. Speaker, as I already said, the Woods report has certainly not fallen into oblivion. The government is preparing a White Paper to be submitted to the committee on veterans affairs simultaneously with the report, and when those studies have been carried through, parliament will then pass all necessary legislation. The hon. member who has just interrupted me as well as all other hon. members will be I hope quite happy about the results.

With respect more specifically to veterans benefits, if the hon. member who has just asked a question is expecting a statement tonight, he should know through his experience in this house that this would be most untimely. We simply wish, in reply to the notice of motion of the hon. member for Winnipeg North Centre, supply hon. members with whatever information they need to make their minds up and to vote with full knowledge of the facts when the government introduces measures aimed at settling the problems which have just been raised.

Mr. Speaker, at the very beginning of the debate, I pointed out that most Canadian veterans, approximately one million, managed to settle down quite well within the Canadian community. As regards those who are members of special groups to which I referred earlier and which the government is trying to help by providing them with disability pensions when necessary, or allowances when they do not qualify, the cabinet acknowledges its responsibility and tries quite hard to safeguard the rights of veterans as a token of recognition for the great services they rendered the Canadian nation.

The present government, following in the footsteps of the ones that have preceded it, is doing its duty towards the veterans. We want to do more and, eventually, we shall do more. But, before ending my comments, I can say with pride that the Canadian government ranks with the most generous ones in its dealings with the veterans.

• (9:00 p.m.)

[*English*]

Mr. John Lundrigan (Gander-Twillingate): May I ask the minister a question, Mr. Speaker. He referred to Newfoundland forestry personnel who went overseas and took part in the war. I know the minister is aware of the

matter I am raising, since he has received a great deal of correspondence about it. These forestry people claim they are being discriminated against under the present regulations in the sense they are not classified as bona fide veterans. In other words, although they fought, were injured and in some cases killed, they have not been classified as bona fide veterans of the second world war which they consider unfair. Has the government any plans to take action in line with the request that have been received from these people so that they may receive the accreditation and benefits that accrue to other bona fide veterans who fought during the second world war?

Mr. Dubé: Mr. Speaker, in many instances it is not up to my department to define who is and who is not a veteran. Often that decision is made by the Department of National Defence. I am unable to reply precisely to the question raised by my hon. friend. I will look into it and reply personally, if I may.

Mr. Lundrigan: Mr. Speaker, this question has been raised year after year and I know that members on veterans affairs and defence committees have received much correspondence on the matter. May I, therefore, ask the minister to make a statement on motions in the house so that we may understand whether the government has plans to update its thinking on this matter. We want to know where these people stand and if they are or are not to be treated as second class Canadian citizens.

Mr. Dubé: As soon as a decision is made on this matter, it will be made known in the best possible way.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister a question which relates to those on the war veterans allowance. May we assume that the minister is co-operating with his colleague, the Minister of National Health and Welfare (Mr. Munro), in trying to persuade the Minister of Finance (Mr. Benson) to correct some of the income tax anomalies we have drawn to the government's attention from time to time. I refer in particular to the fact that veterans receiving war veterans allowances, who are persuaded to transfer in whole or in part to the guaranteed income supplement, end up with the same income but find that their income tax goes up. May we assume that the minister wishes to have this corrected?

Mr. Dubé: Yes, Mr. Speaker. That assumption is correct.

Mr. Knowles (Winnipeg North Centre): That makes two of you.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this motion, may I say that I welcome the chance to speak on a subject which is undergoing intense examination at present and has occupied much of the energies of Canadians for the last 50 years. That is true, particularly, of the period since the end of the second world war. The fields of old age security and related matters have occupied much of the attention of the Canadian people. Our economists have been concerned about this matter. Although great strides have been made in taking care of our senior citizens and others needing assistance from the state, unfortunately, no sooner are programs of pension adjustment introduced than new needs seem to arise. Although pensions and benefits under various programs have risen fairly rapidly, the rapid rate of inflationary increase has meant that those who have no resources other than their government pension have been living at minimum levels of subsistence. Many people, therefore, have been living in circumstances that Canadian citizens would like to see improved.

In this era of affluence we hear, in this country that has great natural resources and an intelligent and reasonably well educated, mobile working force, that generates much of its capital and attracts much capital from the western world, especially from the United States, that we should do more for our citizens who live in poverty and in circumstances we all wish to see improved.

There is considerable discussion at the present time about our welfare programs. It has also been said that our welfare structure is a jungle, that it is inefficient and that it could easily be replaced by some sort of overall approach aiming at a guaranteed minimum income or negative income tax. This sounds very easy in practice but I wonder, if we introduced something like that, whether we should not wind up with as many inequities as we now have, or more.

I believe that in providing for certain income standards for some of our people who are supported by the public purse we, as Canadians, have tended to equate the mere granting of money with a certain standard of living. It has not been appreciated that the important thing is, what will the money our people are granted buy in the market place? It is not important really whether a man's income is $100 a month or any other sum.

Suggested Pension Payment Corrections

What is important to consider is, what will that money buy and what standard of living will it provide. Have we ever sat down to define what is the minimum standard of living that ought to be acceptable or desirable for all our citizens? For instance, how many square feet should a man have to live in; how much food should he have per day; what should he be allowed to spend on recreation, and so on? Quite obviously, a given number of pension dollars will buy different services in varying parts of the country. Nor has it been appreciated that when we increase pensions on a national scale we transfer goods and services out of one area into another. If this transfer of goods and services is too great, our country's productive capacity may be hampered and our economy and people will suffer, including those we intend to help. So, when we decide to increase various social services and transfer goods and services from one segment of our economy to another we must weigh carefully the effect of that on the whole economy. Unless the productive apparatus of our economy is healthy and producing the goods and services that we hoped to give to our senior citizens as well as the various other people who, by reason of disability or for any other cause, the state is assisting, there is not much to gain.

• (9:10 p.m.)

As one who, personally, over the years has had to rule on whether the disability of a particular individual entitled him to receive assistance in the form of some pension or benefit that the state had provided for him, I find it very difficult to establish a mean standard of care for every citizen by means of a flat sum. From personal experience, I have always found the needs of those who the state would help to be of such a wide variety that no single formula would seem to me to come anywhere close to solving the problem for these people. Indeed, a single all inclusive formula would, I am sure, create more injustices than it would cure.

I feel the old age pension must be set at some basic level which will attempt to give some reasonable livelihood to our senior citizens, but I feel this level has to be in line with the productive capacity of the economy at the time it is set. There has been enormous and rapid increase in inflation in Canada and in the whole of the western world. Canada is very sensitive to the economic health of our great neighbour to the south and that country has been involved in fighting a war of attrition. Even taking this into consideration, the United States has had some better success in controlling inflation than we who have reduced our military commitments to a very low point. I believe some of this inflation in Canada is due to our great welfare programs. When I say "welfare" I mean in the very broadest sense of welfare, including health, education and so on.

In the matter of old age security pensions, I would not favour the automatic escalation clause. I feel that the government of the day will have to take responsibility for whether the economy can stand the increase in pensions and the related attempt to give reasonable justice to those people for whom the pensions are designed. I believe automatic escalation of pensions would result in a rigid and inflexible economy. In the long run, it could well do more harm than good.

The lowering of the eligible age for old age pension, while desirable, has increased the financial liability of the nation and in the past 20 years has tended to reduce the productive capacity of our economy. A glance at the productivity of our country shows an increased efficiency in producing goods, but little increase in the service efficiency of our economy. On the other hand, the labour force is such that the percentage increase in the service end of our economy is greater than the goods producing end. This means that the real productivity of our nation is not growing as fast as it might. Anything that reduces the productivity of our country is detrimental to all our citizens. The government, in my opinion, must increase old age security pensions in line with the needs of these people and the ability of the economy to provide a real increase in goods and service. There is little point giving them more money in their pockets if their standard of living is to remain the same.

The guaranteed annual income is a great goal for which to strive. It was first proposed in a very realistic way. It was felt by having an individual pay for hospital, health, welfare, schools and many personal services now provided by the state, a guaranteed minimum income could be substituted. I believe that this objective is far in the future and depends on a much higher productive state, and perhaps much more rigid economy than we now have. The welfare programs of Canada were instituted in good faith by intelligent people. We should not lightly dismantle them for fear that we may be worse off than we were before. We, as a nation, have attempted to assist those in need. There have been many

inequities, but we seem to have provided in a reasonable way for the bulk of the needs of our people. Let us not lightly dismantle the structure we have built up until we are sure that it could be replaced by a better one.

With these few remarks, Mr. Speaker, I will close. I appreciate the opportunity to speak on this matter.

Mr. Hubert Badanai (Fort William): Mr. Speaker, the proposal contained in the resolution is such that every member would like to support it but it does not seriously take into account the cost of such a program. As an example, the estimated expenditures of the Department of National Health and Welfare which this parliament approved for the year 1967-68, amounted to $2.8 billion, including payments from the statutory Old Age Security Fund. This year the amount is considerably more, as was pointed out this afternoon by the minister.

This expenditure amounts to 26 per cent of the total federal government expenditures forcast for the same year and reflects the continued concern with the health and welfare of the people of Canada. In the past six years, the department has been assigned responsibility for such major programs as the Canada Pension Plan, the Canada Assistance Plan, the guaranteed income supplement, youth allowances, the health resources fund and medicare. These plans have all been designed to ensure Canadians the highest standards of health and ensure when, through age, infirmity or some other limitation, they can no longer work, they will receive a true measure of protection.

This afternoon the minister quoted figures of anticipated expenditures for welfare programs for 1969-70 which run into more than $3 billion. The guaranteed income supplement, designed to assist elderly persons with little or no income other than old age security payments, was introduced in January, 1967. The guaranteed income supplement provided up to $30 monthly to eligible recipients, increasing to $30.60 effective January, 1968. As of October, 1967 guaranteed income supplement payments had been made to 711,277 old age security recipients. Approximately 57 per cent of persons covered by the old age security program is also receiving guaranteed income supplement payments. The supplement program cost approximately $225 million in the calendar year 1967.

Suggested Pension Payment Corrections

• (9:20 p.m.)

As of January, 1967, citizens age 68 years or over qualified for the old age security pension. This year persons age 66 and over will qualify and by January 1 of next year everyone who has reached age 65 will be eligible for old age security. Complementing our social insurance programs is the Canada Assistance Plan, under which agreements were signed with all the provinces in 1967. The significance of this plan lies in the fact that it provides for an integration into one over-all measure of the various assistance programs such as the old age assistance, blind persons allowances, disabled persons allowances and unemployment assistance. By extending for the first time federal sharing of costs in additional areas such as mothers allowances, child welfare and health and welfare services, the plan also gives emphasis to prevention and rehabilitation and thus to the reduction of assistance case loads.

A few moments ago the Minister of Veterans Affairs (Mr. Dubé) gave us a report concerning veterans pensions and other benefits payable to veterans. Therefore, I shall not repeat those facts which apply to the veterans. In 1967, the first guaranteed income supplement benefits were paid and about 57 per cent of old age security pensioners qualified for full or partial supplements. Also in 1967, the first Canada Pension Plan retirement pensions were paid and 68 year olds became eligible to draw old age security, Canada Pension Plan and guaranteed income supplement benefits.

It can hardly be said that we have not had our aged citizens very much in mind over the past six years. I must point out, however, that all these things cost money. In 1962-63 public expenditures on health and public welfare were made to the tune of some $3.9 billion. This amount increased to $6.5 billion in 1967-68. There was an increase in one year alone of over $1 billion. These are large figures. They represent an increase from 9.5 per cent of the gross national product in 1962-63 to 10.4 per cent in 1967-68.

Old age security expenditures were a major item in these figures. In 1962-63 there were 950,000 pensioners who received $734 million. Five years later, there were 1,366,000 pensioners who received a total benefit or $120.50 a month, including the old age security pension of $78. By 1976, the Canada Pension Plan will be paying $125 a month if escalation continues at 2 per cent a year and, together with

old age security will provide a monthly benefit of $215 for each pensioner.

Canada's record in comparison with other western countries should make Canadians feel proud. While the minimum monthly pension payable to every aged person in Canada is $73, in the United States it is $55. If an aged person in Canada has no other income he can receive $109.20 monthly. In the United States, there is no provision for him to receive more than the $55. In Britain, the minimum monthly pension for a single householder is $56. In France, the pension is 20 per cent of previous earnings if one retires at age 60, 40 per cent if one retires at age 65 or 60 per cent if one does not retire until age 70. The rate in West Germany is 45 per cent of previous earnings if one has contributed for 30 years.

In Sweden the rate is 60 per cent of previous earnings after 30 years of contributions. This afternoon the minister pointed out the inconsistencies in the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). While proposing that the government move in the direction of a guaranteed annual income for all Canadians, the motion urges us to abandon the income test in relation to the guaranteed income supplement. A guaranteed income for all Canadians would be an income test program which covered all the Canadian society. The guaranteed income supplement is a guaranteed income program which covers only that part of the Canadian society which includes people over the age of 66. On January 1 of next year, it will be extended to cover all those over age 65. Are we being urged to abandon this form of program or to extend it?

The medicare program which started on July 1, 1968 has not received maximum acceptance by the provinces, but indications are that eventually the provinces will proceed with the necessary action to complement federal legislation, thereby making possible a nation wide system of prepaid medical care. We believe in medical care.

Mental retardation is regarded as a major national health, social and economic problem. It is considered to be one of the top ranking causes of disability among all age groups. It is responsible for immeasurable and prolonged frustration as well as loss to the retarded individuals' family and a great loss in economic output to society. The government has recognized that mental retardation is of national concern and warrants increased financial support for programs specifically designed to prevent and alleviate this disability.

The opposition would appear to be attempting to build up a case which, when looked at in the light of day, has no legs on which to stand. I wish to compliment the minister for his exhaustive and comprehensive outline of the state of Canada's welfare program which is second to none in the western world. It seems to me our country is fortunate in having a responsible government which recognizes fact and not fancy in dealing with those in need of assistance. I agree, however, that consideration should be given to an increase for the superannuated civil servants. They are being penalized because of the rising cost of living. For that reason, I support the recommendations of the committee which two years ago brought in an excellent report in support of an increase. I would urge the minister to consider taking action in respect of this group of people at an early date.

• (9:30 p.m.)

Mr. Max Saltsman (Waterloo): Mr. Speaker, first, I should like to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for having brought this motion before the house. For 27 years his voice has been heard in this House of Commons, I would suggest to the honour of those in this chamber, asking hon. members to consider the plight of those in our society who are worthy of the consideration of this nation. These are people who are entitled to the assistance which Canada can give them.

It is somewhat disturbing to me to hear the hon. member for Fort William (Mr. Badanai)—one of the nice guys—get up and give the appearance of veracity to what would otherwise be an unlikely story. When the hon. member quoted statistics comparing Canada to other countries, perhaps he should have considered telling the other side of the story. He should have said that Canada is much wealthier than those countries to which he referred, and that we have a disgraceful record in terms of the percentage of our gross national product set aside for welfare programs. Those countries that the hon. member mentioned spend a far greater percentage of their gross national product for social welfare programs than do we.

Mr. Munro: That is not true.

Mr. Saltsman: It is true, and I refer to Germany, France and Britain, all of which

spend a greater percentage of their gross national product on welfare programs than does Canada. So also does Sweden and most Scandinavian countries. Perhaps the only country that does not spend more in relation to its gross national product than does Canada is the United States. That side of the story should also be told.

I, like other members of the house, have a very high regard for the hon. member for Fort William. No doubt he sincerely believes some of the things he has said tonight, but I would ask him not to use these cliches which I am sure the hon. member for Winnipeg North Centre has heard for the last 27 years, particularly those in respect of the fact that we must find the money in order to finance these programs. Members such as he often ask whether we can afford certain things. I would respectfully suggest that we can afford this.

I would like to ask the Postmaster General, (Mr. Kierans), and I am sorry to see he is not in the house tonight, about a statement he made a number of years ago. He said that the nation has two choices. If it is great it accepts its challenge; it goes out and does these things which must be done, or it can take the alternative course of saying the country cannot afford certain things. I suggest that kind of wisdom should apply to this government today. In counselling the government, I suggest he should convince them that Canada can afford these things and that Canada should take measures to get this society off the ground. He should give his party the benefit of his ideology which I suggest has been too long ignored in our society.

Let me raise some of the questions dealt with or encompassed by this statement that we cannot afford these things. Can we afford some of the things we are doing now, and what is the cost of some of these things? What does it cost to have unemployment in this country? Is it less costly or more costly than higher old age pensions? Let me refer to an indication of the cost of unemployment. It has been calculated that in 1957, and I refer to figures from the report of the Economic Council, we lost 5 per cent of our potential productivity representing something like $3 billion. In fairly round terms this would represent an increase of something like $1 billion in taxes. Can we afford that kind of a loss? This $1 billion amounts to almost twice as much as we are now contributing to veterans.

I have never heard the hon. member for Bruce (Mr. Whicher) stand up in this house and ask whether we could afford unemployment in this country. I have only heard him ask whether we could afford an increase in old age or veterans' allowances. There should be no question as to whether we can afford this.

Let us consider 1968. This was an even worse year. It was estimated then that we would lose through unemployment 7½ per cent of our potential gross national product, amounting to over $5 billion. This would represent a loss of $1.5 billion in taxes. As a result, we have suffered from higher tax rates and a decrease in our gross national product. As long as we pursue this type of attitude we cannot afford to increase our allowances to the sick, to the veterans and to those who can no longer take care of themselves. As long as we have unemployment, the people in this country will not be able to help themselves or face up to their responsibilities. We cannot afford to ignore the challenge of unemployment and the consequent loss in productivity. Were we to do so, we would deliberately encourage waste in this nation.

Hon. members may well ask how we pay for these social measures. This is an area that should be explored. We are not talking about just a loss in respect of unemployment. Think of the costs incurred in respect of unemployment insurance and the costs incurred in respect of various welfare programs, not because of the disability of people who would like to work and find employment, but because of the administrative costs of providing support. Let me suggest that a society which regards things in that light, or a government which regards itself in that light, most assuredly needs self-examination.

We have heard a great deal of talk about productivity in our society, and the suggestion that if we had an increase in productivity we could afford certain things. Let us look at the industry in this country. Let us examine the question of productivity. We live in a nation that must surely be the wealthiest in the whole world. No country has been so blessed by resources, good fortune and population as ours. There can be no question about this. We have let almost anyone come into this country to exploit it as he sees fit. This is hardly a tribute to our government. We have permitted foreign investment in our secondary industry. We have permitted the importation of workers at the expense of our local

people. These people have worked at a lower level, in similar capacities, for our great neighbour to the south. I cannot make the quantitative calculations necessary to translate this into dollars and cents. Unfortunately, we in this party do not have those facilities at our disposal, and the government refuses to make this kind of calculation.

It must be obvious that there is a fantastic loss taking place in our society. This loss does not result from a refusal on the part of our people to work hard, and it does not result from a loss of our resources. It results because we have a government that is complacent, that refuses to raise its eyes to the horizon, that refuses to even believe the dictum of some of its own past leaders that the 20th century can in many ways belong to Canada. We have allowed the invaders of our economy to do virtually what they please. This is an intolerable situation. A government and political party which permits this kind of thing to go on should not allow its members to stand up in this house and say that we cannot afford these measures. We cannot afford the kind of inefficiency that takes place in this kind of society. The government says we cannot afford increases in pensions. This is the kind of foot-dragging, closed-eye attitude of our government at this moment.

• (9:40 p.m.)

The failure to increase productivity, to make our industries as efficient as they are capable of being, has resulted from hiding behind a tariff structure that reduces everybody's standard of living. We in this party believe that the tariff structure should be removed. We believe this is necessary in order that our industry become efficient. As I say, we believe the tariff structure should be removed. The tariff structure works in two ways; it reduces wealth and increases the costs of the people in our society who need goods and services. For those who have a good deal of money perhaps this is not a great problem, but for those whose needs are not being met this combination is unfair.

I ask whether we can afford it, and what can we afford? Let us look at our taxes. Despite the fact that the Carter report has been sitting around for a couple of years, it has not been acted upon. Canada's tax system is the most unjust in the world. We have a tax system that penalizes the poor and enriches the rich. Almost nothing has been done by the government to adopt this report and improve our tax system. Can we afford to give $225 million away every year to people who do not need it, to people who are already rich, to industries which do not need any concessions? Can we afford to tax our middle income people higher than others in order to bonus the oil and mining industries and the speculators of our society? I do not wish to start playing around with the term "just society" because it has become too painful a term to use any more, in the light of the government's record. This government has failed to control inflation.

Mr. Munro: What about old age pensions?

Mr. Saltsman: What about old age pensions? If we had not lost $1.5 billion in taxes last year the government could have virtually doubled the old age pension. If the government had implemented the Carter commission recommendations and obtained the increase revenue as a result of this step, it could have increased veterans allowances and pensions by 50 per cent. But perhaps the mining companies are more deserving of our consideration than the old age pensioners and widows in our society! We had no hesitation at all in scrapping their bodies in war. They have lived and died for this country. We, in this society, should at least do our best to look after them now. Is it too much to expect that we should look after our veterans, some of whom have been willing to die for this country? I am not suggesting that our governments have been completely intolerant of the problems that face our veterans and those of the sick of this country. I think governments have responded in this respect. But the reason people in this house have risen time and again to deal with these problems is that the gap between the rich and the poor of this country has been so glaring that it could be solved only by action in parliament.

The question is: Are we doing as much as we can? We are saying by our motion today that the answer is emphatically no. We are not doing as much as we can in this regard. The government is hiding behind pat phrases, phrases used from time immemorial, such as we cannot afford it. The government says that we cannot afford a great many things, including an increase in old age pensions and veterans allowances. The N.D.P. says that we cannot afford the waste that occurs in our society; we cannot afford the tax system that we have; we cannot afford the unemployment in our society. It is not good

enough for the government to say that this is the best of all possible worlds and theirs is the best of all political parties. Members still wish to speak on this subject. I rose tonight in response to the challenge put forward by the hon. member for Fort William (Mr. Badanai) and the hon. member for Bruce (Mr. Whicher). I regret that neither of them saw fit to remain in the house long enough to hear an attempt to answer the questions that they raised.

We in this party will continue to urge upon hon. members and the government that we should do justice to our people and should not, because of callousness or inefficiency, hide behind the phrase that we cannot afford it. We in Canada can afford anything that we wish to afford.

Mr. Kaplan: Mr. Speaker, the hon. member said that his party believed that all tariffs should be removed. Would he include in that observation the shoe industry and the textile industry?

Mr. Saltsman: Mr. Speaker, if somebody paid more attention to the problems of our industry—it is possible to move in a more intelligent direction with intelligent assistance to our industry—we could live in a society that did not have a single tariff.

An hon. Member: There is some jargon for you.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in the few moments left in this debate, I would like to congratulate my colleague for introducing this motion. I am sure that every member of this house should take off his hat to the hon. member for standing up and saying what he has said. It amazes me when I hear the hon. member for Bruce (Mr. Whicher) stand up once again to defend the "haves" and say, in effect, to hell with the "have nots". If we look around this country we will find that five million Canadians in the low income or poverty group are living in what is virtually a hell trying to get along in a society from which they receive very little. In these circumstances, I am greatly surprised at the attitude of hon. members opposite who criticize the line taken by this group in seeking to help them. It is incorrect to say that this country cannot afford the measure of support to which these people are entitled. I am sure that when he comes to read tomorrow, in *Hansard*, what he said tonight, the hon. member for Bruce will wonder what the people back home will have to say about his remarks, particularly those living on old age pensions.

• (9:50 p.m.)

There is one other point I wish to raise. It is well known that senior citizens trying to live on an inadequate income regularly lose their homes because of their inability to pay property taxes. Surely, in this age of rapid communications and computers there is a method by which education costs can be deducted from property taxes. As it is, senior citizens are losing the shelter they have known, in some cases, for their entire lives. Even though this is a provincial responsibility, the senior government could surely lead the way to ensuring that education tax is removed from municipal property in cases such as I have mentioned. This would reduce taxation by at least 50 per cent.

The hon. member for Bruce suggested that hon. members of this group want a heaven on earth. Mr. Speaker, this very government could create a situation which would make our people proud to be Canadians. Unhappily, no real attempt is being made to improve the lot of the unfortunate in our society. Surely, every member of this house feels ashamed when he goes out into his riding and is brought into contact with the effects of poverty in this modern age.

I say the government should cease to sit on its hands. It should get out and do something of which everyone could be proud. I maintain that the minister could really do something about this if he were sufficiently determined. Enough research has been done to justify an increase in the pensions of our senior citizens. The hon. member for Waterloo (Mr. Saltsman) has ably shown that this country can afford increases in the pensions not only of our senior citizens but also in those of retired civil servants and of others who do not get a fair share of the wealth this country produces.

Not too long ago, Mr. Reuben Baetz, Executive Director of the Canadian Welfare Council, spelled out clearly what was needed when he stated:

> If the just society is ever to be anything more than a meaningless and flimsy abstraction, it must be based on certain fundamental rights, including social as well as civil and political rights.

We heard the hon. member for Bruce say a while ago that the Liberals were about to bring the just society into being. We have heard ministers say in answer to questions that an announcement can be expected soon. Well, if we are really to have a just society,

the government ought to be doing as Mr. Baetz has proposed. He said that among social rights none was more important than that to an adequate income. To use his words—

> We should build this socio-economic goal into our value system now. The method of administering the guaranteed income can be worked out later. If necessary, it can be introduced in stages.

Mr. Speaker, there are methods today, well known to economists, which would enable every person in this country to receive the income which he could justifiably expect. I am sure even supporters of the government realize that there is a real necessity to move forward along these lines if we are not to fall back to a state in which there are more people on relief and on the dole than there are people working. We must face reality and consider other methods of financing our society than those in use today.

The proposition advanced by Mr. Baetz is that all Canadians have a right to an income sufficient for an adequate standard of physical and social wellbeing. I suggest no one in this house would disagree in principle with that statement but I am certain a great many would resent the bringing about of any great improvement in the standards of those on low incomes. They would prefer to be the champions of people in the high income brackets rather than lower themselves to the extent of taking part in an effort to end the poverty as we know it.

Mr. Baetz further stated:

> Every Canadian cannot provide for all his needs in our complicated society by his own efforts, or through private programs.

This is self-evident but nothing has been done about it effectively, though many plans have been brought in and many economists have drawn up programs. The government has not possessed the fortitude to take action of a meaningful kind to deal with poverty as we have known it for the past number of years.

The last extract I should like to quote is this: Mr. Baetz says the recommendation of the Canadian Welfare Council is based on the conviction that an assurance of adequate income can improve the productivity of people and assist in the development of our country.

The Acting Speaker (Mr. Béchard): Order. It being ten o'clock, it is my duty to inform the house that pursuant to paragraph 11 of Standing Order 58 proceedings on the motion are considered to have expired.

[Mr. Skoberg.]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved:

LABOUR CONDITIONS—ALTERNATIVE TO COMPENSATE FOR CANCELLED WINTER WORKS PROGRAM

Mr. Mark Rose (Fraser Valley West): Because my question last week was ruled out of order, I am pleased to take advantage of this opportunity to elaborate on some of the ideas I tried to raise at that time.

I find the question period very useful and exciting. However, I sometimes suspect that between the Minister of National Health and Welfare (Mr. Munro) and Mr. Speaker, there is some kind of collusion, by means of which the physical fitness of backbenchers is somehow to be improved by their having to bob up and down many times a day. I do not object to this, because it is about the only exercise I get since becoming a Member of Parliament.

While it is unusual for me to be recognized during the question period, it is not at all unusual for me to be ruled out of order. That is why I am here tonight to discuss two items. On March 12, as reported at page 6526 of *Hansard* I put a question as follows:

> Mr. Speaker, my question has to do with the critical unemployment situation and recent reports to the government by the Canadian Federation of Mayors and Municipalities. Has the government any alternatives to recommend with respect to the unilateral cancellation of winter works projects in order to assist municipalities in the area of water utility, pollution control and housing projects.

The record continues:

> Mr. Speaker: Order, please. The hon. member is asking a general question which can only be answered by a statement on motions.

• (10:00 p.m.)

Virtually all the nine municipalities I represent have protested to me about the cancellation of the winter works program. I agree with Mr. Speaker that this is a subject for a statement on motions. Last fall when the winter works question was highly current and we heard from the government some vague mutterings about manpower training schemes and regional development, what we needed then—and we need it even more now—was some forthright statement by the government as to what possible alternative it had to propose, having scrapped one program without

warning. This Winter Works program was abandoned at a time when municipal governments, especially in the urbanized and rapidly urbanizing municipalities such as the one I come from, were all hard pressed to provide not only employment but much needed capital projects.

Consider for a moment the burgeoning civic welfare rolls. These are much larger than previous years because they reflect more, I think, than just seasonal unemployment; they reflect a critical unemployment situation which has been aided and abetted, at least in part, by the cancellation of the winter works incentive program.

I received some figures over the telephone from the municipality in which I live, the district of Coquitlam, and I should like to put on record the February welfare cost. In 1966, it was $44,000; in 1967 it was $55,000; in 1968 it was $74,000; and for the month of February, 1969, $116,000. These are rounded figures and have not been adjusted to population growth. I do not want to be accused of drawing misleading inferences because I do not believe that is necessary; the case is strong enough without that. The population has increased by approximately 6 per cent each year in this municipality, but these figures reflect a higher welfare cost than that.

Now, I should like to refer to some Dominion Bureau of Statistics figures released on March 13 concerning unemployment. We are told that 6.6 per cent of British Columbians are looking for work. In the Atlantic region, one out of every ten wage earners was unemployed.

In reply to my question I hope that the cabinet will not include in its response any nonsense about the work force being larger, in an attempt to clear the government of its responsibilities and its failure to solve the unemployment problem. Of course, there are more jobs, but there are more Canadians. We have to run faster to stay where we are. But the fact that more Canadians are working is of little comfort to a man who is unemployed and unable to find a job.

To get back to the winter works program, with all its faults, I may say that a brief submitted recently to the government by the Canadian Federation of Mayors and Reeves, a responsible group of citizens I think we would all agree, criticized the government's unilateral cancellation of the program as inopportune. The federation proposed instead a replacement program which would assist capital projects in housing, sewage treatment, pollution control and water systems, and which would thereby brighten the bleak employment picture.

These proposals of the Canadian Federation of Mayors and Reeves are consistent with the report of the task force on housing, which at page 43 recommends:

> Municipalities or regional governments, as a matter of continuing policy, should acquire, service and sell all or a substantial portion of the land required for urban growth within their boundaries.
>
> The federal government should make direct loans to municipalities or regional governments to assist them in assembling and servicing land for urban growth.

This attitude, as expressed by the task force report, stands in stark contradiction to what happened when winter works got the axe. According to a recent survey by the federation, 50 per cent of 50 municipalities' planned projects included precisely such things as water systems, trunk sewers and storm sewers. It does not take any great genius to see the casual relationship between land serviced by water and sanitary sewers and housing; nor is it a great strain to recognize how pollution of the Fraser and Burrard Inlet is encouraged by the lack of adequate primary and secondary treatment plants. The relationship between initiating these capital projects and employment is also obvious.

In my municipality of Coquitlam, whose growth is roughly 1,200 new homes a year, much of the soil is now becoming contaminated because there is no expansion of the sewer system. This has been contemplated for at least the past three years. Yet, there is not even a primary treatment plant in existence, and all the while the sewers belch thousands of gallons of untreated effluent into the Fraser River. The urban renewal freeze constitutes an additional problem, but I have not time to discuss that tonight. In conclusion, I make a plea for a requisite member of the government to make a statement on motions on this subject in the near future. I think that would be a delightful idea, and I am glad the Speaker suggested it. The sooner that is done, the better.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Hillsborough.

Mr. Macquarrie: I thought there would be an answer from the treasury benches, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): This is an insult.

An hon. Member: The government is not interested in people.

Proceedings on Adjournment Motion

POST OFFICE DEPARTMENT—REFERRAL OF OUTSTANDING ISSUES TO MEDIATION PROCEDURES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, for a long time I have been interested in the efficiency of the Post Office Department. I have noted the efforts made by the present Postmaster General (Mr. Kierans) and the detrimental results of his ill conceived efforts in the direction of what he calls efficiency in the interests of going into the black. For a long, long time I have noted, watched and studied the relations between public servants and civil servants working for his department and the Government of Canada. In my 11 years in this house, never have I seen such evidence of discontent as is now manifest by the very people on whom the Postmaster General must depend for the efficacy of the operation of his department.

Some hon. Members: Hear, hear.

Mr. Macquarrie: The Letter Carriers' Union of Canada, in a press release dated March 14 declares:

> This on-again, off-again procedure by the employer, leaves the union no choice but to hold Treasury Board responsible for all expenses incurred.
>
> Since the employer has withdrawn its applications, they have proven they were in the wrong and it logically follows that the union was in the right, and that the employees involved should suffer no loss of pay.

All I can say is that I note with great concern the statement made by the Canadian Union of Postal Workers under date of March 17. God help us, this St. Patrick's Day. The statement reads:

> Does the public know or realize that even with the increase of postage they are getting "short changed" as to prompt and efficient service and this will continue to decrease, especially with some of the plans proposed and even at present in effect.

We have told the Postmaster General repeatedly since last October that his ill considered and hastily prepared program of the five-day delivery week would reap all sorts of discomfort not only for patrons of the Post Office and Post Office workers, but for all citizens of Canada. He listened not to our protests. He hearkened not to our advice. He paid no attention to our solicitations. Now, he has steam-rollered forward and has found that in his department there is resentment which will injure not only the people of his department but all of Canada. I say that when the people of Canada suffer in this important matter of postal delivery, he has a great responsibility to bear. Even at this late date it would not hurt him to consider, to reconsider and ponder upon the efficacy of this system which he so proudly launched a few months ago as a great and forward movement. He knows, and the people of his department know, that it has not been a forward step, but a backward step.

I ask him even at this eleventh hour, will he not reconsider and think of the people of Canada instead of his own preconceived notions of efficiency.

• (10:10 p.m.)

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, it must be a disappointment to the hon. member that his audience is so small this evening because the form and eloquence of his appeal certainly deserves a better audience, even if the substance did not merit the same attention.

The hon. member repeated the words of Mr. Decarie, that the Treasury Board should now consider paying the strikers who went on strike illegally last week. I wonder if this pronouncement is the position of the Conservative Party? If so, it would be a new departure for them. Since the hon. member is speaking of the Treasury Board, I suggest that he formally lay this proposition before my colleague, the President of the Treasury Board (Mr. Drury).

The hon. member stated the basis of all the discontent is the five day week. Nothing could be more wrong, Mr. Speaker. The unions have pronounced themselves to be in favour of the five-day week. If, as the hon. member suggests, we were to revert to the six day week, I suggest we would then have a very critical situation on our hands. When the hon. member suggests that discontent is prevalent, I think he takes as evidence the obvious public relations programs We have them as well as the unions.

Some hon. Members: Shame!

Mr. Kierans: The hon. member does not take note of facts such as the attempt in Montreal last week by union leaders to provoke a strike in that city which was overwhelmingly rejected by union members, so much so that someone has said there must be a real gap between union leadership and the feelings and sentiments of their members.

There has been nothing new in what the hon. member has said, Mr. Speaker. I do not think I should take any more time in replying to what is a repetition of many earlier statements.

POST OFFICE DEPARTMENT—EFFECT OF CASUAL EMPLOYEES ON POSITION OF INSIDE WORKERS

Mr. Mark Rose (Fraser Valley West): Although there is not a large group of members in the house, Mr. Speaker, I am pleased that the Postmaster General (Mr. Kierans) is here.

The question I raised this afternoon was with regard to the Ottawa Post Office but possibly could apply to other major post offices in this country. Since today's *Hansard* has not yet been printed, I will refresh the memory of hon. members by stating that I asked a supplementary question to one asked by the hon. member for Timiskaming (Mr. Peters). My question was: "Will the minister investigate to see how much of post office inefficiency is due to the preponderance of casual employees inside the Post Office? Will he also investigate recent charges by the inside workers of nepotism—?" That is where I got cut off. I intended to ask further, "—or a family compact operating between postal management and the casual help in Ottawa?"

In spite of the fact we were assured recently that morale was fine in the Post Office Department, a press statement issued today by the Union of Postal Workers here in Ottawa appears to contradict the minister with considerable force. Charges have been levied which include poor management, unsuitable working conditions, 24 hour sheet box pick-up service, poor short distance service and spying on workers. These items may have some relevance to post office morale and also prompt and efficient service, but it is not my intention to deal with these matters tonight. What I asked the Postmaster General to investigate was the preponderance of casual employees in the Ottawa post office and the number of relatives—sons, daughters, wives and sisters—of postal officers who are employed on a part time basis, thus depriving others from needed employment. I ask that he investigate this also because of the effect this alleged practice has on the morale and efficiency in the post office. First of all, I should like to mention a few statistics. In the Ottawa post office, on the city delivery floor, there are some 55 casuals or part-timers employed steadily compared to 154 full time postal clerks. This does not seem to be too sinister probably to some members, but in the forward letter department there is a different picture. Here we find 66 full time employees opposed to 62 full time part-timers and 49 part time part-timers or casuals. The ratio is almost two to one.

This is the type of practice that is being followed in the forward letter department in the evenings. This is the heart of the post office. This is where the sorting and forwarding takes place. Here, most of all, is where experience can be meaningful in terms of service. I know that some department stores and other firms deliberately reduce their full time staff by hiring casuals in the person of married women and high school kids. In this way, their total wage package can be reduced and they do not have to pay fringe benefits. In addition, this makes it possible to break a union. I know this happens in the private world of commerce, but I would sincerely regret it if this should be the policy of the post office. Surely, the government of Canada should have a reputation for leadership in respect of enlightened management practices. So, I hope that what I have just said is absolutely incorrect.

This afternoon I believe the minister assured the house that casuals are hired only in periods of excessive activity or mail volume, such as at Christmas time. I find it difficult to understand why, at this time of year which is not Christmas, the casuals should outnumber the regular postal clerks by 111 to 66 in the forward letter department in Ottawa. I have an excerpt from the postal personnel manual which states:

> Casual employees may be employed on a temporary basis to
>
> (1) assist the full-time staff in emergency situations,
>
> (2) replace regular staff on leave,
>
> (3) replace regular employees when there is no eligible list from which a continuous replacement may be assigned.

Further down on the same page in respect of duration of employment it reads:

> The original appointment cannot be for a period in excess of six months.

Some other things are dealt with, but I do not have the time to discuss them. I believe it is important that people know also that the Post Office employs three different types of casuals at three different pay scales. There are Christmas casuals who are paid $1.25 an hour; there are the postal helpers who are paid $1.75 an hour and the part time postal clerks who are paid $2.25 an hour. The Financial Administration Act outlines the terms and conditions of employment regulations. At page 293 of the 1962 Treasury Board publication we find that clauses 87 and 88 have this to say about casuals. Clause 87 reads as follows:

> Subect to these regulations and any other enactment of the Treasury Board, a casual employee

who performs the full range of duties specified for the position held by him shall be paid on an hourly basis calculated at the minimum rate for the group and level of that position.

Clause 88 states:

Notwithstanding anything in these Regulations, where a casual employee holds a position for which there is a minimum and maximum rate of pay, he shall not be granted increases in pay.

We can see the attractiveness of hiring casuals. They are not better but they are certainly cheaper because they do not receive pay increases. They are cheaper, but perhaps only in the short run. Finally, I should like to draw the minister's attention to the fact that the dead letter office was eliminated. This office saved the public much distress and time. According to page 38 of the postal operations group manual a position in this office is a preferred position requiring extensive experience and knowledge of the Canadian postal service. It was only the title that was eliminated. There are people doing virtually the same work that had once been done by people who occupied preferred positions. I wonder what Mr. Justice Freedman would have to say about that.

• (10:20 p.m.)

I have tried to draw these matters to the minister's attention. I know he is bright and able. I hope that he is fully informed on these problems and will attempt to deal with them. I ask that he look into these matters to our mutual benefit.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, on the proceedings on the adjournment motion the hon. member for Fraser Valley West (Mr. Rose) seems to have been talking about the effects of changes in the number of casual employees on the positions of inside workers. Let me say that whether there are more or less casual workers in the post office at this time, there has been no effect at all on the position of inside workers. I can assure the hon. member that when we began to discuss the plans for changes in the post office a statement was made that those presently employed on a full time basis by the post office would continue to be employed. In other words, there was security of employment to those inside workers.

Following that, of course, at the beginning of the plan in October we began to use more casuals than we normally had, and the reason should be obvious to hon. members. We used casuals to fill temporarily those positions which were opened by retirement or for other reasons, including people who left the service. We kept these positions open so that when the new conditions went into effect between February 1 and April 1 these positions would be available to men who, because of the five day week, had been found to be in a surplus category. These very same employees would then be moved into the vacant positions.

In the meantime, these casuals have been employed. There will always be a need for casuals, and the positions they occupy sometimes become permanent. This has happened and we are diligently working out this sort of situation. You might ask why we need casuals. On the first of every month when the bills go out and there is exceptionally high activity, we require extra employees. At the middle of the month, and at the end of the month when family allowance cheques and old age pensions cheques are mailed, there is tremendous activity. There are very many fundamental and commercial reasons for this activity. This is not a question of jobs or of labour in any form.

Of course, it is true that for many reasons the use of casual employees is fully justified. Sometimes this employment is used to supplement those on low incomes or low family wage earners. Let me hasten to say that if there is any position in the post office in this casual area filled as a result of nepotism, we have every intention to rout that out.

The Acting Speaker (Mr. Béchard): A motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, March 18, 1969

The house met at 2 p.m.

PRIVILEGE

MR. ROSE—FAILURE TO ANSWER REPRESENTATIONS IN ADJOURNMENT DEBATE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I rise this afternoon on a question of privilege. I shall be brief but wish to point out that my brevity bears no relation to the strength of my feelings in respect of the matter I am about to raise. Your Honour did not accept the question I asked on March 12 and as a result that question was set down to be debated on the late adjournment debate. Your Honour announced that the question would be debated last night and at the time of your announcement a fair number of hon. members were in the house. Yet last evening, after I had finished speaking for seven minutes, no minister or parliamentary secretary was present in the house to reply to my question. Several hon. members then present noticed this. The hon. member for Hillsborough (Mr. Macquarrie), who also wished to ask a question expected an answer from the treasury benches. Frankly, hon. members then present were amazed that there was no reply from the government side of the house.

I am aware, sir, that the rules of the house do not require government members to answer questions set for the late show. When they fail to do so however that is an insult to the house, and I hope this practice will not multiply. The rules were changed to permit adjournment debate in order that we may have greater parliamentary efficiency. I submit that when hon. members co-operate with Your Honour in agreeing to have questions debated on the late show, instead of challenging decisions of the Chair and holding up house procedures, those hon. members and their constituents should not be treated with the kind of arrogance that was displayed last night.

In conclusion, I hope that the President of the Privy Council will look into this matter and make certain that the situation is rectified and does not reoccur.

THE LATE HON. JOHN BRACKEN

TRIBUTES TO FORMER LEADER OF THE OPPOSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, there is a matter that I think should be brought to the attention of the house. I refer to the passing of the Hon. John Bracken, former Leader of Her Majesty's Loyal Opposition in the house and a member of the Privy Council of Canada who, over many years, gave devoted service not only in the province of Manitoba where he was premier for almost 21 years, but here in the House of Commons as Leader of the Conservative party and as Leader of the Opposition.

His devotion to Canada, his sincerity and, above all, his desire to make certain that all sectors of our country should receive equal attention and that there should be no economic disparities caused him to devote himself throughout the years to the welfare of agriculture in particular.

I first met him 59 years ago when he was a professor in the agricultural college at the University of Saskatchewan. I have known him through the intervening years and feel sure that the house would wish to pay tribute to one who was an ornament of this chamber and a great Canadian. At the same time may we extend to his wife, who throughout the years has been devoted to him in a way no words can express, the condolences of this chamber and the people of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on behalf of this party I wish to associate myself with the feelings of the right hon. gentleman for Prince Albert in expressing our admiration for a Canadian who gave himself to the public life of this country with such devotion and sincerity.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I on behalf of the hon. members of this party express our regret at the passing of the Hon. John Bracken. As a boy when I lived in Winnipeg I knew of him as the premier of that province. I came to know him personally over the years, and I think all who knew him were impressed by his quiet dignity and fine integrity. In his

public life he was a good example of one who left the academic field in order to devote himself to the public service. He had the respect of all who knew him and worked with him. We in this party would like to express our admiration for the contribution he made to the public life of Canada, and express our deep sympathy to his wife and the members of his family.

• (2:10 p.m.)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we of the Ralliement Créditiste are sorry to hear about the death of the Hon. John Bracken. My colleagues and myself wish to join with the other members of the house to extend our deepest sympathy to the bereaved family. I knew Mr. Bracken in 1946 at the time he was Leader of the Opposition. He was a hard worker and a worthy leader of the official opposition in the House of Commons. I must point out that, on the death of Mr. Bracken, Canada mourns the loss of a loyal and devoted Canadian.

[*English*]

ORAL QUESTION PERIOD

GRAIN

COMPENSATION FOR SHORTFALL FROM PRICES UNDER INTERNATIONAL GRAINS ARRANGEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce. Will the minister say what reply the government has made to the communication of the Canadian Federation of Agriculture asking for an immediate announcement by the government that the government will make up to the producer any shortfall from the minimum prices under the International Grains Arrangement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I did not personally receive this request; I presume it went to the Prime Minister. As I indicated in my statement last Friday, it is our objective to work with the other exporters to ensure the restoration of the existing I.G.A. price range and bring back stability in wheat pricing. We have not given up that objective.

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

DIPLOMATIC EFFORT TO PREVENT BREAKDOWN IN MARKETING

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question to the Prime Minister, Mr. Speaker. My question arises from the minister's answer and from the statement made by Mr. William Hamilton on behalf of the Canadian Federation of Agriculture in his letter to the Prime Minister. It is stated in the letter that a major diplomatic effort by the government is needed to prevent a breakdown of the international machinery for grains marketing. Can the Prime Minister assure the house that such an effort, and the effect referred to by the Minister of Industry, Trade and Commerce, is in fact being made? Will he also indicate specifically some of the concrete initiatives the government is taking in this respect?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. When I am in Washington next week I intend to raise this subject with the President of the United States and have our officials discuss various aspects of it. I intend also to do the same with the Prime Minister of Australia who will be here in the succeeding week. I intend to discuss any common approach we might have on a bilateral basis before going to any world council on this problem.

WHEAT—ATTENDANCE AT MEETING OF PRICES REVIEW COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): One further supplementary question, Mr. Speaker, to the Minister of Industry, Trade and Commerce. Will the minister confirm that a meeting of the International Grains Arrangement price review committee was held in London yesterday? Was Canada represented and if so by whom? Is the minister in a position to report on the meeting or can he say when and where the other meetings referred to by him on Friday last, when he unfortunately had to make this rather dismal announcement to the house, will be held?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. Yesterday the Minister of Agriculture referred to that meeting of the prices review committee which began yesterday in London and is continuing today. However I do not yet have a report on it.

This meeting is a regular one. It was called a number of months ago. Canada is represented there by officials of my department and of

the Department of Agriculture, and by a commissioner of the Wheat Board. It is an important one, but we are giving even more importance to the meeting of exporters, to which I have already referred, which will take place early in April. As the Prime Minister just said, he will also be speaking to the President of the United States and to the Prime Minister of Australia on the same subject. These are parts of the diplomatic move to which I referred in my statement last Friday.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. Can he give the farmers of western Canada an assurance of such price support as may be necessary to maintain incomes in that very important area of Canada?

Mr. Pepin: Mr. Speaker, the Minister of Agriculture said yesterday that the government is considering many things that would be helpful in this serious situation.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask the Minister of Industry, Trade and Commerce whether he will personally participate in the meeting to be held early in April, and whether Canada's position will be in any way based on the suggestion made by Mr. Runciman when he said that an entirely new grains agreement should be drawn up, perhaps scrapping years of work on the old one?

Mr. Pepin: Mr. Speaker, I hope Mr. Runciman's extreme solution will not have to be used. I hope that within the framework of the agreement as it now stands there is room for improvement. With respect to the meeting of exporters I do not yet know if I will personally participate, but if I find there is a possibility that this might be useful, I would certainly do so.

Mr. Korchinski: As a further supplementary question, Mr. Speaker, in view of the fact that we now know this meeting will be held early in April, has the government given consideration to assuring the farmers that they can expect a subsidy from the government until such time as this meeting is held?

Mr. Pepin: Mr. Speaker, I have already answered that question by saying it is premature to look at it from that point of view, and that we are working for a restoration of the I.G.A. pricing schedule.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask the Minister of Industry, Trade and Commerce whether my interpretation of his remarks today is correct. Do they indicate that he is optimistic that there is not going to be a cut in the price of Canadian wheat, and that the danger of international competition at fire sale prices is not as serious as he believed to be the case on Friday?

Mr. Pepin: Mr. Speaker, I have not changed since Friday. What I said on Friday was that the Wheat Board would be competitive with the other exporters, and this is being done now.

NATIONAL DEFENCE

ESCALATION OF NUCLEAR ARMS RACE FROM CONSTRUCTION OF A.B.M. SYSTEM— REMOVAL OF BOMARC MISSILES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the right hon. Prime Minister. In view of the statement by Canada's chief disarmament negotiator to the effect that a galloping arms race between the United States and the U.S.S.R. would be catastrophic for Canada may I ask the right hon. gentlemen whether he intends to make any representations to the President of the United States indicating the danger that the construction of an A.B.M. system may further escalate the nuclear arms race?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I stated yesterday I would be discussing this subject with the President but I doubted whether by next Monday we would have taken a finite position on the United States announcement. I did indicate, and I repeat now, that any danger of escalation is something which we would be very anxious to discuss, and if there is evidence of escalation then we would be ready to indicate our disapproval of such escalation.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the Prime Minister's predecessor, the Right Hon. L. B. Pearson, indicated in 1965 that it was his government's intention to begin negotiations to remove United States Bomarc missiles from Canadian soil, is the present administration taking any steps to remove Bomarc missiles from Canada?

Mr. Trudeau: Without conceding that that was exactly what the former prime minister said, I would tell the house what I have said

in previous months, which is that the matter of our defence policy in the world and in North America is under review and any announcement in this regard will be made in due course.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I ask the Prime Minister whether the government has received a request from the government of the United States for permission to establish anti-ballistic missile bases on Canadian soil?

Mr. Trudeau: No, Mr. Speaker; no such request has been received.

Mr. David MacDonald (Egmont): Mr. Speaker, since the Prime Minister a moment ago referred to the general policy review, and his own interest in the security of the world, may I ask him when we might expect some clear-cut statement on Canada's position with regard to the installation of an A.B.M. system either in the United States or elsewhere?

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary, but I do not know whether or not the Prime Minister intends to reply to the former question.

Mr. Trudeau: I replied to that question yesterday, Mr. Speaker.

Mr. Broadbent: Mr. Speaker, my supplementary for the Prime Minister is with reference to what he said a moment ago. Did I understand him to say that his government would have its own position clear by Monday next as to whether or not they would oppose the installation of an A.B.M. system either in Canada or in the United States?

Mr. Trudeau: No, Mr. Speaker; I said the contrary. I said it was very doubtful that by Monday we would be able to look into all the complex implications of a statement made by the United States government only on Friday.

[*Translation*]

POST OFFICE DEPARTMENT

INQUIRY AS TO DANGER OF STRIKE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the Postmaster General.

Last Saturday, on the television program "Les couche-tard", the Minister of Labour said the Postmaster General was not dead but not strong. I would ask the minister whether the threat of a postal strike in Canada has been completely averted.

[Mr. Trudeau.]

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I think the threat of a national strike is now past. However, negotiations must take place with the unions and a solution is forthcoming. Grievances have been recognized. We have now reached the fourth level of proceedings and we are waiting for the appointment of an arbitrator.

Mr. Caouette: Mr. Speaker, I want to ask a supplementary question.

Considering the present discussions, is the minister in a position to say whether the services and the ability of his colleague, the Minister of Labour, are being used?

Mr. Kierans: Yes, Mr. Speaker.

[*English*]

MONTREAL—USE OF ARMED GUARDS IN PARCEL DELIVERY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Postmaster General. Since the position of outriders on the mail stage went out of use a hundred years ago in Canada and the United States, is the minister now resurrecting this position out of fear, in respect of the situation in Montreal, where armed guards have to accompany the parcel post?

Mr. Speaker: Order. The hon. member for Churchill.

REPRESENTATIONS OF POSTMASTERS

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is also for the Postmaster General. Can he say whether he has been able yet to find a solution in respect of the request of the postmasters?

Hon. Eric W. Kierans (Postmaster General): Yes, Mr. Speaker. The deputy minister met with a group of staff postmasters. They presented one or two requests to him, and they declared yesterday that they were perfectly satisfied with the responses. I am not quite clear exactly what the representations were. If they had to do with the group of staff postmasters and an announcement concerning salary increases, I would have to say that the Public Service Alliance of Canada is the bargaining agent for the program administration group. I do not know whether the hon. member is talking about the program administration group. However negotiations are under way between this group and the Alliance. I am as anxious as I imagine the management of the Post Office is for the negotiations to come to a successful conclusion.

Mr. Simpson: Mr. Speaker, when I first posed the question to the Postmaster General I made a specific request in respect of salaries. I believe this was about mid-February.

Mr. Kierans: Mr. Speaker, there were a number of other matters included in the question asked, one of which was whether we would consider closing post offices where the postmasters themselves were nearing the retirement age. That was one question among others. At that time the deputy minister said we would certainly consider this if the postmaster was within eight or nine months of retirement. Obviously we would not close the post office prior to that retirement date.

Mr. Jack Marshall (Humber-St. Georges-St. Barbe): Mr. Speaker, in view of the many hundreds of letters of complaint I am receiving from my constituency regarding the closing of some 60 post offices, will the minister explain how I can mail my replies when there are almost no post offices left?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

EXTERNAL AFFAIRS

PARIS—ALLOCATION OF TELEVISION TIME TO SECRETARY OF STATE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the very generous allotment of TV and radio time given Mr. Cardinal who was representing the government of Québec in Paris a short time ago, and the very cavalier treatment meted out to our Secretary of State, and the complete refusal of the government to permit the use of TV and radio time, has the government made any official protest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand the facts are not those which have been recorded in some papers, but that the French a offert—did offer —some air time to the Secretary of State at a time when he had to be back here in Ottawa on another engagement.

Mr. Hees: In other words, on the late, late show.

ATOMIC ENERGY

POSSIBLE RE-OPENING OF URANIUM MINES THROUGH ADDITIONAL PURCHASES

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question, of which I have given notice, to the Minister of Industry, Trade and Commerce in his capacity as the minister acting for the acting minister of energy, mines and resources. My question arises from a news release by the minister on Friday last concerning additional production of heavy water and prospective sales of heavy water nuclear generating stations abroad. Does the government contemplate additional purchases of uranium and may we shortly expect an announcement of the re-opening of uranium mines in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there is no change in the government's policy on uranium; uranium is being purchased at this moment for the stockpile. In respect of the possibility of re-opening mines or opening new mines, the experts I could consult, between the time I received notice of this question and now, feel that this may have to wait another year until the big requirement for uranium occurs. Nobody can be sure, however, of what the plans of utility companies in Canada and abroad are in their long term planning for uranium supplies.

Mr. Aiken: Mr. Speaker, does the bidding on overseas power plants include the supply of uranium oxide?

Mr. Pepin: It does generally, at least for the first fuel loading.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, can the minister say whether there has been any change recently in the long standing policy that any country purchasing fissionable material from Canada must subject itself to certain conditions?

Mr. Speaker: I would think the hon. member is now asking for a statement of policy and I doubt that this can be done at this time.

FINANCE

PRESSURE ON BANK OF CANADA TO MAINTAIN INTEREST RATE

Mr. Max Saltsman (Waterloo): Mr. Speaker, in view of the success of the Minister of Finance in his moral suasion of banks in regard to the $400 million refinancing operation, can he say whether he is now prepared to use the same sort of moral suasion on the Bank of Canada to see that the prime rate is not increased?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I am pleased to say that the bond issue went very well, in spite of the fact

that the interest rates were raised in the United States in the midst of our bond issue.

Mr. Saltsman: I am very pleased to receive the optimistic report from the minister, but I am wondering whether he will answer my question regarding the intent to increase the interest rate.

Mr. Benson: I suggest to my hon. friend that he read the Bank Act.

[*Translation*]

HOUSING

RENEWAL PROGRAM IN HULL

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask a question to the Prime Minister.

We have just learned today that the federal government intends to invest more than $200 million in order to help substantially the urban renewal program in the city of Hull. Can the Prime Minister tell us if this report is true and official and if he is ready to make a statement on this subject today?

Mr. Speaker: The hon. member knows that he may not ask a minister or the Prime Minister to confirm or deny a news report.

[*English*]

INDIAN AFFAIRS

SPENCES BRIDGE, B.C.—STAKING OF MINERAL CLAIMS

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question on Indian Affairs for the Minister without Portfolio in connection with the dispute over the staking and recording of mineral claims between Bethlehem Copper Corporation and the Cooks Ferry Indian band of Spences Bridge, British Columbia. Can the minister assure the house that the Indian interest in this dispute is being safeguarded and that the Department of Indian Affairs and/or Justice will be represented in the dispute so that the responsibility of the federal government regarding the Indian people is carried out?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I can give the house that assurance. There have been consultations between the officials of the Department of Indian Affairs and those of the Department of Justice, and there will be a representative of the federal government present when the case opens tomorrow. In addition to that, the Cooks Ferry band have hired what I am told is very competent counsel. All steps will be taken from the point of view of the federal government to protect the interests of the Indian people involved.

Mr. Marchand (Kamloops-Cariboo): A supplementary question, Mr. Speaker. Can the minister also advise the house if he or his department would take steps, or if steps are being taken, to amend the British Columbia Indian mineral resources act so that such disputes will not occur again, and maximum benefit from mineral resources on Indian reserves can be realized by the Indian people?

Mr. Andras: That course of action is being given deep consideration now, Mr. Speaker.

FINANCE

SEARCH IN EUROPE FOR CAPITAL

Mr. A. D. Hales (Wellington): Mr. Speaker, I would like to direct my question to the Minister of Finance, and ask whether his colleague the Minister of Indian Affairs and Northern Development is presently touring Europe in search of funds for Canada.

Hon. E. J. Benson (Minister of Finance): Not funds for the government, I can assure you, Mr. Speaker.

Mr. Hales: A supplementary question, Mr. Speaker. Could the minister elaborate on the purpose of the trip?

Mr. Benson: Mr. Speaker, I think the hon. member would have to ask the Minister of Indian Affairs and Northern Development. I did not ask him why he was going to Europe.

[*Translation*]

LABOUR RELATIONS

MONTREAL—CLOSING OF PORT AS STRIKE SOLUTION

Mr. Georges Valade (Sainte-Marie): Thank you, Mr. Speaker, for giving me the opportunity to do my physical exercises during the question period.

I would like to direct to the Minister of Labour a question deriving from the statement he made over the weekend, but in his absence I shall direct it to the Prime Minister.

The Minister of Labour said over the weekend that closing the harbour in Montreal would bring a solution to the present dispute. I would like to ask the Prime Minister whether the Minister of Labour was stating government policy when he suggested to close the

harbour in Montreal for one year as a solution to the labour dispute there and whether it is the only means the government is proposing to bring about a settlement in this dispute?

Mr. Speaker: As far as a statement made outside the house is concerned, the hon. member can only ask the Prime Minister whether the minister's statement represents government policy and I think it is what he was suggesting in the first part of his question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Labour sometimes takes devious ways to achieve generally happy results; perhaps he was compelling the hon. member to do not only physical exercises, but intellectual exercises as well.

Mr. Valade: Mr. Speaker, I would like to ask the Prime Minister whether, with the help of his own intellectual exercises, he has a solution to offer to settle the dispute before the situation deteriorates further?

Mr. Trudeau: I think the hon. member might wish to direct his question to the Minister of Labour, Mr. Speaker.

[*English*]

Hon George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. As the port is in the Prime Minister's constituency, may we take it that it will not be allowed to close?

EXTERNAL AFFAIRS

INQUIRY AS TO POSSIBLE INVITATION TO PRESIDENT DE GAULLE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. Arising from the statement made yesterday by the Secretary of State for External Affairs, that the onus is on the government of France to issue an invitation to the Prime Minister to visit France, may I ask the Prime Minister whether as a result of the minister's statement there has been any communication from the French embassy in Ottawa. In other words, has France taken the hint?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, since yesterday I have not had any rapport with my neighbours.

Some hon. Members: Oh, oh.

Mr. Trudeau: But I must say that it would have to be a pretty pressing invitation because I have just heard that "La Pérouse" has lost one star, and one of the incentives I had for going to Paris has now gone.

FINANCE

SEARCH IN EUROPE FOR CAPITAL

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Now that the Prime Minister has cleared up that mystery, could he clear up for us the purpose of the visit to Europe of the Minister of Indian Affairs and Northern Development?

Right Hon. P. E. Trudeau (Prime Minister): The minister has gone to Europe to interest various European governments and sectors of the population in the development of the Canadian north from various points of view, —capital investment, immigration, development of various kinds.

Mr. MacInnis: Resign, Benson.

Mr. Trudeau: I guess there is some problem over there, Mr. Speaker.

Mr. A. D. Hales (Wellington): I rise on a point of order, Mr. Speaker. I just finished asking the Minister of Finance a question and he advised the house that he did not know why the Minister of Indian Affairs and Northern Development was in Europe. The Prime Minister has now given us the answer to the question. I think the Minister of Finance owes us an apology for his answer.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I do not owe an apology, at all. I simply said that the Minister of Indian Affairs and Northern Development was not in Europe borrowing money for the government. As a matter of fact, the exchange reserves of Canada are standing up very well, much to the—

Mr. Hees: Considering the way the government has been run.

Mr. Benson: —consternation of the opposition, and we have no reason for wanting to borrow funds to increase our exchange reserves.

Mr. Stanfield: On a point of order, Mr. Speaker, I agree that the Minister of Finance does not necessarily have to answer questions directed to him. On the other hand, I do not think he should trespass upon the good nature of the house, and yourself, sir, and make a statement that bears no relation at all to the question directed to him.

Inquiries of the Ministry

[*Translation*]

REQUEST FOR STUDY OF INTEREST RATES

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put my question to the Minister of Finance.

Would he tell the house if he or the government intends to study thoroughly the problem of the present interest rates, since they are at their highest in this century and do not seem to encourage foreign investments?

Mr. Speaker: The hon. member's question seems to be too comprehensive and should be put on the order paper.

[*English*]

VETERANS AFFAIRS

LONDON, ONT.—SHORTAGE OF REGISTERED NURSES AT WESTMINSTER HOSPITAL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the large number of letters that many of us are receiving from registered nurses at Westminster hospital in London, Ontario, may we assume that members of parliament from that area have made representations to the minister; and can he tell us what assurances he has given them that the subject matter of these letters will be dealt with, namely, the shortage of registered nurses at this hospital?

Mr. Speaker: Order, please. I suggest to the hon. member that it is certainly not in order as a question at this time to ask whether hon. members have made representations to the minister.

Mr. Knowles (Winnipeg North Centre): Then, Mr. Speaker, may I simply ask the heart of the question. What steps is the minister taking to meet the problems created by the shortage of registered nurses at Westminster hospital?

Mr. Speaker: I would think the question could be considered at the time of adjournment.

FISHERIES

SEALS—ACTIVITIES OF FOREIGN SHIPS DURING CESSATION OF CANADIAN OPERATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Minister of Fisheries. It refers to a reply given by his parliamentary secretary yesterday to a question posed to him regarding foreign vessels that were killing seals inside the three mile limit at a time when the minister was making his statement outside the house on Saturday. My question is: Has the government taken any action against the four Norwegian vessels that were caught killing seals within the three mile limit, similar to the action taken against the Japanese vessel on the west coast?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hunt for seals off Labrador is under the closest possible surveillance. The fisheries protection vessel, the *Cape Freels*, is there; we have aircraft there, and a Department of Transport icebreaker is on its way. We know now that there are five Norwegian vessels inside our territorial limits. They have been warned both by the Canadian authorities and by the Norwegian authorities not to take seals. If we find they are killing seals we will of course have no alternative but to take the same action as we took with respect to the Japanese vessel off the west coast.

Mr. McGrath: A supplementary question, Mr. Speaker. I refer the minister to the reply given yesterday by his parliamentary secretary in which he left no doubt about the fact that they were taking seals. As a consequence, why have not these vessels been arrested?

Mr. Davis: Mr. Speaker, this has yet to be established as a fact.

Some hon. Members: Oh, oh.

Mr. Davis: We have had one fisheries officer on board one of the vessels. We have no final evidence that they have taken seals within Canadian waters. But as I say, we have the situation under very close surveillance.

SEALS—REQUEST FOR EXTENSION OF SEASON

Mr. David MacDonald (Egmont): I have a supplementary question, Mr. Speaker. Yesterday I put a question to the minister's parliamentary secretary; today I wish to add the following question to it. Has the minister received from a number of fishermen in Prince Edward Island and from the minister of fisheries of that province a strong request to extend the seal hunt season until the allocation has reached 50,000 pounds?

Hon. Jack Davis (Minister of Fisheries): I have received a recommendation to that effect from the minister of fisheries of Prince

Edward Island. We find however that less than one third the normal number of seals have entered the Gulf of St. Lawrence. Some 35,000 whitecoats have been taken; the quota is normally 50,000. A careful review of the situation after the submission was received from the minister of fisheries indicates that the number of seals immediately north of Prince Edward Island is much smaller than had originally been expected.

SEALS—REPRESENTATIONS URGING TERMINATION OF KILLING

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question, Mr. Speaker. Speaking of representations, may I ask the Minister of Fisheries whether he has received innumerable and voluminous representations from all parts of Canada asking for an end to this seal killing, and will consideration be given by the government between now and a year from now in respect of this matter and something provided by way of substitution for those who otherwise would be deprived of their earnings?

Hon. Jack Davis (Minister of Fisheries): Numerous representations have been made by Canadians and an even greater number of representations by people from other countries in this respect. I would like to assure the right hon. gentleman that we will give every consideration to whether or not the hunt should be continued next year.

Mr. McGrath: I have a further supplementary question, Mr. Speaker. As a representative of the fishermen and not of the seals I should like to put the following question to the minister: Would he give serious consideration to having this matter referred to the Standing Committee on Fisheries?

Mr. Davis: It sounds like a very good idea, Mr. Speaker.

POST OFFICE DEPARTMENT

PREFERENCE TO SORTING OF FIRST CLASS MAIL

Mr. Arnold Peters (Timiskaming): I have a question for the Postmaster General. Will the minister give consideration to giving preference to the sorting of first class mail over the weekend to ensure that it is given priority for Monday delivery?

Hon. Eric W. Kierans (Postmaster General): We already do so, Mr. Speaker.

Inquiries of the Ministry

REFERRAL OF OUTSTANDING ISSUES TO MEDIATION PROCEDURES

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I should like to ask the Postmaster General whether, arising out of the apparent inconclusiveness of his talks with the president of the Letter Carriers Union, he is now prepared to agree to a mediator being invited to settle the outstanding issues which are a constant threat to a sure and speedy mail delivery—not just the grievance procedure he has announced, but a reference of the outstanding issues?

Hon. Eric W. Kierans (Postmaster General): There are only two sources for the conclusion that my meetings with Mr. Décarie yesterday were inconclusive, one of which is myself, and I did not give the Leader of the Opposition any information that would lead him to draw such a conclusion. The actual fact is that we had a very useful and pleasant discussion. So far as I know, the letter carriers are satisfied that the four main issues are proceeding to adjudication. They asked neither for arbitration nor for mediation.

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Prime Minister arising out of the question asked by the Leader of the New Democratic party in reference to Bomarc sites. The Prime Minister indicated that he was not sure of the stand taken by the former prime minister. Was it not the question of Bomarc sites that brought on the remarks by the Prime Minister that Mr. Pearson was the unfrocked priest of peace?

TRANSPORT

P.E.I.—REVIEW OF NORTHUMBERLAND STRAIT CROSSING DECISION

Mr. Melvin McQuaid (Cardigan): I have a question for the Prime Minister. I should like to ask him whether he has received a request from the premier of Prince Edward Island asking the government to review its decision not to proceed with the Northumberland Straits crossing, and if that request has been made what answer has been given to the premier?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I did receive such a request and I answered the premier's telegram. I do not think there is any reason not to make it public but I would not want to do so without the premier's authorization.

Inquiries of the Ministry

INQUIRY AS TO TABLING OF STANFORD STUDIES

Mr. David MacDonald (Egmont): I have a supplementary question, Mr. Speaker. Would the Minister of Transport indicate to the house now when the documents having to do with Stanford Research Institute studies, which he assured me on three previous occasions would be tabled, will in fact be tabled in the house?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I should respond to that question. The replies from most of the departments have been received. I understand that a request for their approval has been put to the appropriate provincial authorities and that at the moment this authority has not been received from all provincial governments. As soon as an affirmative reply has been received, we will table the documents.

Mr. MacDonald (Egmont): When this notice of motion for the production of papers was agreed to, had the government not already consulted the provincial authorities in order to give that consent?

Mr. Speaker: Order, please.

AGRICULTURE

SUGAR BEETS—PAYMENTS TO ONTARIO GROWERS

Mr. R. E. McKinley (Huron): My question is for the Minister of Agriculture. Now that the necessary estimates have gone through the house, can the minister say when the phasing out payments to the sugar beet growers in southwestern Ontario will be made?

Hon. H. A. Olson (Minister of Agriculture): I am not sure that I can give the exact date without checking, but so far as I know, now that the authorization has been given all that is required is the mechanical process of issuing the cheques.

HOUSING

LEGISLATION BASED ON TASK FORCE RECOMMENDATIONS

Mr. John Gilbert (Broadview): My question is directed to the Minister of Transport in charge of housing. When will the minister bring in legislation relating to the recommendations of the task force report on housing?

Hon. Paul Hellyer (Minister of Transport): I hope there will not be much delay. Satisfactory progress is being made. There is quite a large package of amendments that we are considering, and I hope I will be able to report to the house quite soon.

NEW DEPARTMENT—DISCUSSIONS ON URBAN RENEWAL

Mr. John Gilbert (Broadview): I have a supplementary question for the Prime Minister. When will the government set up the new ministry of housing and urban development recommended in the report of the task force on housing?

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker.

Mr. Gilbert: On a point of order, Mr. Speaker. I believe the Prime Minister was ready to answer my question.

Mr. Speaker: The hon. member for Hamilton West has a supplementary question. Perhaps the two questions can be answered at the same time.

Mr. Alexander: Thank you, Mr. Speaker. My question is directed to the Minister of Transport. I see him over there smiling at me and I know he knows what I am going to ask him. About a week and a half ago the minister assured me there would be meetings with several cities, particularly with the city of Hamilton, in order that discussions take place with respect to urban renewal. Has the minister had any such meetings, and if so with what cities?

Hon. Paul Hellyer (Minister of Transport): My hon. friend will be pleased to know that I have spent quite some time looking at that proposal in the last day or two and I hope I will be in a position to meet representatives of the city some time next week.

Mr. Alexander: I have a supplementary question, Mr. Speaker. The minister's answer is optimistic but I did not get the name of the city to which he referred. Perhaps he would clear it up for me.

Mr. Speaker: Order, please.

Mr. Gilbert: My supplementary question is directed to the Prime Minister. When will the government set up the new ministry of housing and urban development recommended in the report of the task force on housing?

Right Hon. P. E. Trudeau (Prime Minister): I do not know of any such plans, Mr. Speaker.

Mr. Georges Valade (Sainte-Marie): I have a supplementary question for the Minister of Transport. I should like to ask him whether he would consider bringing the Prime Minister with him to the next meeting with the municipal authorities on housing, since the latter was so warmly received in Montreal during the weekend?

[*Translation*]

RENEWAL PROGRAM IN HULL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell the house whether the federal government intends to give shortly some financial assistance to set up an urban renewal program for the city of Hull and its vicinity?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, for quite a long time the tripartite board in which the federal government and those of Quebec and Ontario are represented has been discussing the future of the national capital. It has gone through certain stages and the federal government is rather anxious to go ahead.

But, as we have always thought that federal-provincial co-operation is necessary, especially in that field which comes mostly under provincial jurisdiction, we are now more or less waiting for an agreement which has not yet been finalized. It remains, Mr. Speaker, that the federal government is rather eager to proceed.

[*English*]

OAKVILLE, ONT.—BOARDING UP OF UNITS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport in his capacity as minister in charge of housing. Did Central Mortgage and Housing Corporation consider the needs for low income housing at Oakville, Ontario before boarding up some 70 housing units, and has the minister received requests that such housing be made available? If so, with what reaction?

Mr. Speaker: Order. I think that question, which is very similar to one asked previously, should be placed on the order paper or discussed at the time of adjournment.

Mr. McCleave: Ten o'clock.

AIRPORTS

GANDER, NFLD.—STATUS OF ADMINISTRATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Transport. Has the minister received a copy of a brief from the Gander civil service association regarding elevation of the airport administration to regional status? If so, what action does the government plan to take?

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

NATIONAL DEFENCE

RIVERS, MAN.—POSSIBLE CLOSING OF CANADIAN FORCES BASE

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of National Defence. The minister received an official delegation from Manitoba yesterday in relation to the announced closing of the Canadian Forces base at Rivers. My question is: Will the minister agree to table in this house or otherwise make public the document showing the timetable for the phasing out of those bases that are slated for phasing out?

Hon. Léo Cadieux (Minister of National Defence): With respect, Mr. Speaker, I think the assertion of the hon. member that an announcement had been made on the closing of Rivers is incorrect. As we have indicated on many previous occasions, this is a marginal base and we are considering its future. As a result of the discussions which took place yesterday this matter will be investigated further, and—

Mr. Speaker: Order, please.

OIL

PRUDHOE BAY—COMMON CANADA-U.S. MARKET

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to thank you for recognizing me again. I should like to direct this question to the Minister of Trade and Commerce, and ask him whether the government task force on oil policy is currently studying the significance for Canada of the Prudhoe Bay discoveries, and has the government task force been asked to consider the possibility of a common market in oil between Canada and the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the task

force has been working on all aspects of the oil situation, as recently modified by the Prudhoe Bay discoveries and also by possible findings on Canadian territory. The Acting Minister of Energy, Mines and Resources is in Calgary today speaking to a group of oil men about these matters.

Mr. Speaker: The hon. member for Battleford-Kindersley.

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

Mr. Speaker: Order. I have to bring to the attention of the hon. member that we are about reaching the end of the question period, and I thought that we should give an opportunity to the hon. member at the other end of the house.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce and is supplementary to the last one. Would the minister comment on and/or table in this house the feasibility study made by his department in connection with a possible oil line to Montreal from western Canada?

Mr. Pepin: Mr. Speaker, this is an internal document and represents a contribution of the Department of Industry, Trade and Commerce to the over-all study being made by the task force.

[*Translation*]

BILINGUALISM AND BICULTURALISM

PUBLICATION OF THIRD AND FOURTH REPORTS

Mr. André Fortin (Lotbinière: Mr. Speaker, I wish to ask the Prime Minister a question.

Can he assure the house that the report of the Laurendeau-Dunton Commission on bilingualism in the public service will be published in the spring of 1969 at the latest, as was announced earlier?

Mr. Speaker: It seems to me the hon. member is repeating a question exactly as it was asked a few days ago.

Mr. Fortin: On a point of order, Mr. Speaker.

Last week, I asked the question and the Prime Minister did not seem to know what commission was involved. Therefore, I want to tell him it is the Laurendeau-Dunton Commission and I request the same information he could not provide then.

[Mr. Pepin.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member is referring to Volumes III and IV of this Commission's report. As far as I know, no date was given for the publication of those papers. True, some time ago newspapers mentioned that parts of the volumes had been given to the Queen's Printer. I checked and the information is unfounded. Perhaps it concerned working papers or other documents, because at the time I inquired, two weeks ago, Volumes III and IV were not at the Printing Bureau. Besides, the Commission did not say when the volumes would be published; of course, it makes its own decisions in that regard and there is nothing I can do.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (4) (a)—UTILIZATION OF BANK OF CANADA TO ALLEVIATE TAX BURDEN

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I move:

That, in the opinion of this house, the government should consider the advisability of making use of the powers and resources of the Bank of Canada for the purpose of alleviating the taxation burden which weighs upon Canadian, provincial and municipal taxpayers and for undertaking an efficient struggle against poverty in order to establish a just society.

Mr. Speaker, this is the first time the Ralliement Créditiste is accorded the privilege of introducing a non-confidence motion under the new Standing Orders. We are therefore happy of this opportunity, as an opposition party, to draw the people's attention to some points apparently neglected or overlooked by the government, and to the pressing problems the government has failed to tackle.

Mr. Speaker, this debate and the solutions we are going to propose will at least make the people look into the policies of the Ralliement Créditiste, even though the government, because of its arrogance, its apathy or its indifference for the Canadian taxpayers, turns a more or less deaf ear. Whether the government or its members realize it or not, or whether they even deny it, the situation prevailing now in Canada is of the most serious nature.

Governments, and the federal government in particular, are in need of money. They are asking more and more of the Canadian taxpayer, as the President of the Treasury Board

(Mr. Drury) commented when the Main Estimates for 1969-70 were tabled in the house. For that period, the estimates totalled $11,858 million as compared to $10,826 million for 1968-69, an increase of $1,032 million. The minister added:

There may be a need, as in the past, for supplementary estimates in the course of the year to meet urgent and unforeseen requirements.

So, that means, Mr. Speaker, that, when money is scarce, the government will be compelled, for the 1969-70 period, to ask for $1,032 million more from the Canadian taxpayer.

For its part, the government of Quebec announced last week estimates of $3,176,323,000 for 1969-70, an increase of $384,708,000 over the previous year. The Minister of Finance of the province of Quebec (Mr. Dozois) has not yet made known the rates of the new taxes that he will be compelled to levy and of which the taxpayers of the province will hear soon enough.

In Ontario, the government announced, a few days ago, estimates of $2,998 million as well as new taxes on cigarettes, liquor, meals, hotel rooms and production equipment. It also made known its intention to invade the field of personal and corporate income tax.

Those are a few examples of the urgent needs of the higher levels of government. Municipalities, corporations and individuals are not safe from similar worries. Far from it.

In Montreal, for instance, the property tax recently went up by 24 per cent and the municipal authorities, shorter of money than ever, had to negotiate a $26 million loan on the money market in West Germany. It is not the first time that governments or corporations have to resort to foreign financing to make up for the lack of Canadian funds needed to ensure the social development of the country.

The Ontario and the Quebec governments had to get loans from Germany during the year. The city of Sherbrooke had to apply to German interests to obtain $1 million. Hydro-Quebec is regularly negotiating with West Germany, and its commitments with German bankers now exceed $100 million. Why? Because money is scarce and costly in Canada.

We can therefore assume, Mr. Speaker, that all these loans negotiated by the governments, these sales of government bonds, of savings bonds especially at high prices have as a result incited the holders of municipal bonds or of corporations' preferred shares to sell them and to buy federal government bonds. This puts the municipalities in a bad situation and compels them to apply to foreign financial enterprises.

The Minister of Finance (Mr. Benson) clearly recognized this on January 7 last when in a speech before the *Canadian Club* in Ottawa he expressed his worry about the slackness of the bond market. No wonder, therefore, that the Montreal newspaper *The Gazette* published on January 9 the following rebuke aimed at the Minister of Finance. I quote:

• (3:00 p.m.)

[*English*]

The state of the bond market, especially the market for bonds with longer terms, is exactly what one might expect as the result of the government's policies over many years. The government has never really controlled its spending. And when it has spent heavily in a period when inflation was general, it has only spread inflation on its way, almost with its blessing.

The most that the government has done in recent budgets is attempt to reduce the yearly rate of increase in its spending, never to cut back the spending from what it was the year before. But even this has not been successful. The government, in the spring, promised a balanced budget. But in the autumn it faced a fantastic deficit.

[*Translation*]

And the editorial writer concluded:

[*English*]

Without bonds and without long-term bonds neither governments nor businesses can function properly. But the credibility gap in the bond market will have to be closed. And it will not be closed until the government closes the credibility gap in its own policies. So long as present policies continue, no one can trust the money values of the future.

Mr. Benson does well to weep. But he weeps for the wrong reasons. And, surely, he must know it.

[*Translation*]

Mr. Speaker, the situation is not any better for individuals and corporations. The minister does not seem to have acquainted himself with the unemployment statistics published by the Dominion Bureau of Statistics last Thursday, and he does not seem to share the concern of the industrial and business sectors about the federal policy in connection with the recommendations of the Carter Commission.

From mid-January to mid-February 1969, the number of unemployed increased by 6,000, from 467,000 to 473,000. Even if the statisticians say that the unemployment rate decreased from 6 per cent to 5.9 per cent, that does not solve the problem of the 6,000 newly unemployed, nor that of the 473,000 Canadians now without work.

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The enterprises themselves are not secure either from scarce money or the greed of governments, including the federal government. In fact, speaking at the 25th annual meeting of the Mining Association of Canada, the president of that organization, Mr. J. D. Barrington dealt with the uncertainties that prevail because of the government's attitude regarding the Carter report recommandations and he asked from the government the assurance that in its tax reform policy it would positively recognize the essential requirements of the mining industry in Canada and that it would assess both the economic and political effects of every change considered.

If we turn now to housing or to the building industry in general, we can say that it is a mess at this time. How can we explain that in a country which will need a million new housing units during the next five years, or a minimum of 200,000 per year, more than 40 per cent of the employees of the building industry in Montreal, for instance, cannot find a job enabling them to get a decent annual salary even if the average hourly wage is about $5?

The point is that the housing industry is paralyzed by the trouble-making policy of the federal government. The taxes now levied by the federal government, the fact that money is in short supply as well as expensive, make any construction work practically impossible.

We have spoken on several occasions about the 11 per cent federal tax on building materials, which puts this whole industry at a standstill. What has the government done so far to comply with the rightful request to eliminate this obnoxious, inequitable and antisocial tax? Nothing whatsoever.

This 11 per cent tax is not the only barrier to a desirable progress in the field of housing construction.

On January 3 last, the past president of the association of housing contractors of Montreal suggested that all housing contractors should refuse to build houses as long as the new 9⅜ per cent interest rate set up by the Central Mortgage and Housing Corporation remains in force. He forecast that this exorbitant rate would result in a depression in the field of housing construction, an increase in unemployment in this and other related fields, as well as in rents, and this was confirmed this year in Montreal when increases ranging between 10 and 40 per cent were announced by landlords.

[Mr. Rondeau.]

We will hear about the Hellyer report and the resulting projects, but everything seems to indicate that the Hellyer proposals were not received very warmly in Canada. I have here a few comments picked at random from various Canadian sources, and made after the Hellyer report had been published:

On January 30, the Director of the Canadian Conference on Housing, Canadian Welfare Council, Mr. Michael Wheeler said this:

[*English*]

The federal task force on housing report offers nothing concrete for the housing needs of the more than one million Canadian families with incomes below $5,500.

[*Translation*]

And now, here is what the comptroller of the city of Toronto, Mr. Allan Lamport, had to say, as reported in the *Globe and Mail* on January 9:

[*English*]

"Transport Minister Paul Hellyer's study group on housing is the biggest 'whitewash' I've ever seen", Toronto controller said yesterday.

[*Translation*]

And the article goes on to say:

[*English*]

Mr. Lamport said the group inquiry into housing problems avoided doing the one thing he should have done—setting a ceiling on interest rates for mortgages on houses.

[*Translation*]

Last January 8, in an editorial presented on Quebec-Canada Television, Limited, on channels 4 and 5, which today serve 473,000 viewers, the following was heard:

What will result from the Hellyer report to improve the construction of single housing? It is certainly not by increasing its interest rate from 8½ to 9⅜ per cent, as the Central Mortgage and Housing Corporation has done, that the central government will encourage Canadians to build. Nor is it by maintaining the 11 per cent tax on building materials that the governments will encourage builders to erect housing complexes.

Now here is what the Confederation of National Trade Unions had to say in its annual memorandum to the Canadian government last February 18. I would very much like to know what the Minister of Forestry and Rural Development (Mr. Marchand) thinks of the statement of his successor at the head of the CNTU.

• (3:10 p.m.)

I quote:

One word describes it: deceiving. If your government were to implement those recommendations, it would, on the whole, further consolidate the foundations of this unjust society which is ours. Not one recommendation capable of solving the housing problem, the problem of the low income and even of the average income groups; encouragement to run oneself into debt for life, through the recommendation aimed at extending the terms of reimbursement, which is an apology of the efficiency of private enterprise in a field where the social needs are tremendous and where private enterprise has failed, the hoax and false pretences connected with the concept of property ownership by individuals who, over a period of 40 years, will pay three times over for their homes. It is readily realized that workers and wage earners want at least to be home owners in a society where tenants are systematically abused. At any rate, the task force is merely offering an illusion of property ownership to the people.

Abolition of the 11 per cent tax on building materials, if accepted, will clearly not be enough to reduce materially the cost of housing as a counter-measure to the present interest rate of 9.3 per cent.

The Hellyer report has failed to deal with the basic problem and to tackle the root of the evil which is eroding the society as a whole, that is, the present financial system.

Here is an excerpt from the report concerning the financing of housing:

To achieve this minimum target of one million new housing units by 1973, will require new housing capital of about 20 billion dollars. The task force believes that the vast majority of these funds can be provided by the private sector. Over the past 14 years lending institutions, primarily insurance companies have provided 6.6 billion dollars or some 50 per cent of their total assets.

In view of these findings and of this recognition by the Hellyer task force, we are surprised, as should all Canadians, that the government has decided to subject life insurance companies to the income tax act during the current, and almost inexhaustible, fiscal year and to dry up that source of available funds for the construction of new housing units.

What will be the result of that policy on life insurance companies? First of all, with this centralizing act we can expect to see several companies merge which otherwise, because of their weakness, could not continue to offer enough protection considering present needs.

And so, companies which previously made conservative investments, in mortgages, government bonds and low yield but safe debentures will be forced to improve the quality of their investments to cope with the cost of living index, and to look increasingly to co-ownership in the form of industrial, financial and commercial shares in order to increase their revenue and share it with the policy holders through reductions in premiums or higher profits.

The high premium on Canada savings bonds has attracted many investors who sold their low yield industrial and municipal bonds to purchase Canadian savings bonds.

However, it must be recognized that these high premium bonds impose a heavy burden on future generations which will have to pay the high interest on those bonds as well as redeem them at maturity.

Need I point out that those bonds also channel Canadian savings towards certain forms of security, to the detriment of the bonds and industrial shares market, thereby depriving industry in general from the funds it needs to expand.

As I also pointed out, by turning to private savings to finance its debt and to taxes on insurance companies the government deprives industry and construction of the money they need to develop.

• (3:20 p.m.)

It follows that the construction industry for instance will be unable to meet the present requirements due to a shortage of available capital and the inaction or apathy of the federal government.

Mention should be made of the credit deserved by the Minister of Transport (Mr. Hellyer), responsible for the report on housing and urban development, who in some way anticipated this shortage of available capital by including in his report the following recommendation:

Serious consideration should be given to the establishment of a Central Mortgage Bank to provide additional liquidity for existing lending operations and as a necessary prerequisite to the creation of new mortgage institutions.

But how can we reconcile this admission when the report immediately adds the following:

While lacking any panacean solution to the problem of high interest rates, the task force believes one concrete step can be taken which will have a positive effect on the level of mortgage rates in Canada. Last year the federal government dropped the previous practice of setting the maximum NHA rate at a fixed level and, instead, freed it at least in part to be adjusted automatically on a quarterly basis to a rate of 2.25 per cent maximum above that of long-term government of Canada bonds. This represented a major step forward from the fixed rate system under which housing suffered

from a continual boom-bust cycle of financing depending on whether the rate so fixed was high or low in relation to interest rates generally.

This means that, on the one hand, the government regrets the high interest rates and, on the other hand, it authorizes the Central Mortgage and Housing Corporation to raise its own interest rate. This is incomprehensible. This is a makeshift policy. These are conflicting approaches.

For all these reasons, this government does not deserve the confidence of the people but should rather be put to the test of a non-confidence vote. This is why we are pleased to move the motion which was read at the opening of my remarks.

This is how we could implement the proposals intended to reduce the interest rates and to promote housing construction in Canada as well as economic development.

Section 18 of the Bank of Canada Act, chapter 13 of the Revised Statutes of Canada 1952, deals with the operations and powers of the Bank. According to paragraph (1) (c) it may:

(c) buy and sell or rediscount short term securities issued or guaranteed by Canada or any province—

—Those who always laughed at Creditiste proposals can see, on reading section 18 of chapter 13 of the Revised Statutes of Canada, that it would be very easy to put into practice the proposals of the Creditistes by applying the provisions of the present act.

According to paragraph (d) of the same sub-section, the Bank of Canada may:

(d) buy and sell securities issued or guaranteed by Canada or any province, having a maturity exceeding two years—

—namely long-term securities. On the other hand, according to the provisions of paragraph (j), the Bank of Canada may:

(j) make loans or advances for periods not exceeding six months to the Government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities—

Under paragraph (k), the Bank of Canada may again:

(k) make loans to the Government of Canada or the government of any province—

Sub-section (1) of section 20 provides, and I quote:

(1) The bank shall act as fiscal agent of the Government of Canada without charge and, subject to the provisions of this Act, by agreement, may also act as banker or fiscal agent of the government of any province.

That, Mr. Speaker, is the role the Bank of Canada should have played toward the federal government and the provinces in order to enable them to liquidate their debts and honour their obligations, but the government has not used its sovereign power on matters of currency and credit to control credit and currency in the best interest of the economy of the nation, as it is stated in the preamble of the Bank of Canada Act.

If we refer to the debates that brought about the establishment of the Bank of Canada, the then Minister of Finance, Mr. Rhodes—a Progressive Conservative—said, and I quote from page 828 of the official report of the Debates of the House of Commons:

—the Bank should be available to the government specially in times of crisis and urgency.

He added, and I quote from page 828 of *Hansard* of the same year:

The dominion and provincial governments are also eligible for loans and advances—

Further on, he stated:

—The bank is to be required to act as fiscal agent of the Dominion of Canada without charge and may also by agreement act as banker or fiscal agent for the government of any province.

I am happy to see that the Minister of Finance is in the house, which should enable him to say once and for all what he thinks of the use of the Bank of Canada under the present law which authorizes the Bank to finance the federal government, the provincial governments and the public agencies.

However, when it was nationalized the following year by the King government, in practice the Bank of Canada became an organization of the federal Department of Finance and, for all practical purposes, it ceased being a bank for the use of Canadian governments. It therefore became an organization with centralization purposes, a federal control.

However, in spite of this, the Bank of Canada Act still allows that organization to favour the financing of provincial expenditures. I am quoting hereunder what Mr. François-Albert Angers, director of l'*Ecole des*

Hautes Etudes commerciales, said in the brief he submitted to the Quebec royal commission on constitutional problems in 1956.

However, that last subversion was not a matter of course, even with the total nationalization of the Bank of Canada by the federal government, although it was greatly to be feared. In spite of its nationalization, the central bank should follow its own policy to follow, in agreement, of course, with the general policy, but not necessarily and immediately with all the views of the government. Even nationalized, the bank should be able, always in agreement with the general policy, to deal directly with banks and through them with the business world.

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member, but his time has now expired. Does the house unanimously agree to allow the hon. member to carry on his remarks?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Not too long.

Mr. Rondeau: I thank you, Mr. Speaker, as well as my hon. friends for allowing me to pursue my remarks.

Mr. Angers stated further, and I quote:

It should buy a large number of provincial bonds according to the requirements of their fiscal policy in harmony with the country's general policy. After all, provincial governments are Her Majesty's sovereign governments, responsible to their own people. There is no more reason to put them under guardianship than to put under guardianship the central government itself or the businessmen, all of them being patrons of the banking system.

Technically, there is no objection to it at all and it is in no way detrimental to federal jurisdiction in monetary or banking matters.

● (3:30 p.m.)

The central government still retains control over the monetary and banking system. It determines the general direction of policy. However, such direction having been determined and involving, for instance, a fiscal policy that shows a deficit, one can hardly see why the Bank of Canada could not buy the province's bonds to help them finance their public works or their unemployment insurance, as it purchases those of the central government for identical purposes. In such a light, it would be comparatively easy to convince the provinces to try and avoid increasing taxes in periods of crisis. Electoral interests would contribute to make them accept both the idea and the financial facilities, because governments which tax heavily in difficult periods are never very popular.

Monetary expansion for public financing in emergencies is therefore allowed. But too many writers still consider it as using the printing press. Such an expression should certainly not be avoided. It is colourful. At least we should know that it can only be used now as a figure of speech.

In a system like the Canadian one, it is not the printing of money which constitutes monetary circulation. On the contrary, the latter calls for bills issued on request for withdrawal from banking deposits. Such deposits constitute today the real monetary circulation and permit us to settle most of our exchanges without using money. Money itself comes into it only for small current operations.

The solution arising out of these findings would enable each level of government, under the general direction of the central government as exercised in terms of its jurisdiction over banks and money, to resort to the policy of cyclical budgets and deficit financing. It would have multiple advantages, firstly with regard to the real independence of the provinces and then in connection with the realistic requirements resulting from the various conditions in Canada.

As Mr. Roland Parenteau has shown in the study already quoted, the economic conditions peculiar to each province vary extremely from one region to another in Canada. Some provinces, like British Columbia and Ontario, are really much more powerful and wealthy relatively speaking than the federal government; the latter partakes of their wealth but also of the poverty of some other provinces and sets the average.

Those two provinces are well able to finance all their needs without exception. Other provinces, such as the Western provinces, come next with regard to average income. Quebec follows, half-way between the two extremes, then come the Maritimes at the very bottom.

The case of each province can be studied later if this should prove necessary, at which time some national compensation can be provided if circumstances warrant it.

Nothing could be simpler than to transfer any provincial deficit to the national debt. Such questions, however, should be settled at interprovincial conferences, to start with, (possibly through a Council of provincial States that could be created along the same lines as the American Council of State Governments), and then at federal-provincial conferences.

Thus, interested parties would be made thoroughly aware of the problem facing the provinces in need of help and it would be possible to avoid a return to the senseless system, from the standpoint of autonomy, which consists in favouring (sic) all provinces, at the cost of their own financing and their freedom of action, on the plea that some of them are in a difficult situation.

Such are the solutions, Mr. Speaker, which the government should apply in order to solve the financial problem facing the government of Canada, the provincial governments and the municipalities that are looking for capital.

Such solutions would help private enterprise to reassert itself, to finance its own needs, and would allow private savings, once again, to look after the industrial needs of the country, instead of being used as a screen to hide the mistakes of the federal government.

For all those reasons, Mr. Speaker, we believe the government does not deserve the confidence of this house any longer.

Use of Bank of Canada to Ease Tax Burden

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in my opinion, we should look fully into the proposition of the amendment now before us. In order to make it easier for the Minister of Finance (Mr. Benson), I shall speak in English. Incidentally, my notes are in English.

[*English*]

This motion asks that the government should consider the advisability of making use of the powers and resources of the Bank of Canada for the purpose of alleviating the taxation burden. The motion does not, of course, determine in what way. It merely expresses a pious hope. The Bank of Canada is a central bank which has an essential role as the reserve bank organism in Canada, and it also participates as a central bank in a world context which in this day and age is even as important as its role within Canada. In any event, the motion expresses the pious hope that, in an indeterminate way which the proposer of the motion has not indicated, the government of Canada should make the Bank of Canada some sort of supine instrument at the beck and call of the Minister of Finance.

The hon. member was not here in years past when the role of the governor of the Bank of Canada or the relationship between the Minister of Finance and the governor was finally and clearly established. It was shown that there must be independance in the relationship between the governor of the Bank of Canada and the Minister of Finance. True enough, the Minister of Finance may give directions to the governor, but if the governor does not think they are proper he may insist upon receiving them in writing. The minister can give directions and give them in writing, but I suggest to the hon. member that the required degree of co-operation and, shall we say, degree of confidence and support as between the Minister of Finance and the governor of the Bank of Canada would then go right out the window.

In any event, the motion does not say in what way there shall be an alleviation of the burden of taxation. I suppose one might presume that the interest burden imposed upon the municipalities, the provinces and the federal government could be lowered—and I think this is the basis of the suggestion of hon. members to our left—by the Bank of Canada making loans apparently without limit to the various government organisms at an interest rate barely above zero, merely a nominal rate, and to that extent thereby perhaps reducing the expenses of the various governments.

[Mr. Rondeau.]

Then we come to the words, "and for undertaking an efficient struggle against poverty in order to establish a just society." Now, what on earth does that mean? I must consider the motion in the sense of whether or not it is meaningful for me in order to be able to lend support to the hon. member. If it is meaningless to me, then I cannot lend my support.

I think back to my days in Alberta when social credit was coming in from 1935 to 1940. We saw the old cranking machine in the offing. This is all it was.

Mr. Rondeau: Be serious.

Mr. Lambert (Edmonton West): I am deadly serious. I was there. The administration of that time thought it could put it into effect but it was a complete and utter failure. The proof of the pudding is that that administration has completely abandoned any attempt at instituting social credit. In British Columbia, of course, the administration has never made any pretence in this regard. Its only allegiance is to a name because it had to find a name. On reflection I must say too that in what I was saying about finding a name not only do I say "an aim" but also "a name" for that administration.

I find it rather difficult to follow the thesis of the hon. member for determining that the Bank of Canada should be prepared at all times to purchase the securities or obligations of municipal governments, the provinces and the federal government apparently without restriction so that these bodies may carry out their works as they see fit.

Mr. Rondeau: No.

Mr. Lambert (Edmonton West): Then the hon. member should say so. He said that the Bank of Canada must purchase the obligations of the municipalities and provinces. Then the hon. member intervenes and says he did not say without limit.

• (3:40 p.m.)

Mr. Rondeau: I did not say that.

Mr. Lambert (Edmonton West): The hon. member must say so because he says the Bank of Canada must purchase the obligations of these municipalities and provinces. The hon. member says he did not say without limitation. Who would establish the limitation? The Minister of Finance in effect would do so since the Bank of Canada would be acting as his agent. If in fact the Minister of Finance, were to establish such a limitation

we would immediately have reached the point where the Minister of Finance would be pressing with his fingers on the municipalities and provinces. Of course, that would be constitutional nonsense today.

Mr. Rondeau: We agree.

Mr. Lambert (Edmonton West): What is the hon. member asking that I should do? He is asking me to support this motion, at the same time recognizing the provincial government's right, which it now has constitutionally, to spend freely the money which now falls under its own jurisdiction. Having said this, we are told that the federal government must now impose a direct or indirect control on the provinces by agreeing that it will buy from province "x" or municipality "y" so many millions of dollars in securities in each and every year. What is this but an immediate control on the pursestrings? The federal government would then be manipulating the policies of these governments—provincial and municipal.

I can tell the hon. member how this works. In the province of Alberta the municipalities, school boards and hospital districts have not had at all times to go on the market for their borrowings. They go to an organization called the Alberta Municipal Corporation which is a centralized financing agency supported by the government of the province of Alberta. That agency goes out on the market and borrows money at more favourable rates.

The province can then say it does not borrow any money but in fact it was the government of Alberta that guaranteed the loans. In actual fact it was the municipality, corporation or other agency borrowing the money which was guaranteed by the Alberta government. On the other hand, when the city of Edmonton and the city of Calgary wished to carry out programs for roads, utilities or educational works and sought financing, they submitted their programs to the Alberta Municipal Corporation. It was then that body which told them how much they could undertake. If that is not indirect control through the exercise of centralized borrowing power, what is it? That is what is envisaged by this motion. This is the only interpretation possible to be placed upon it. This is the interpretation put forward by the hon. member for Shefford in his motion.

I cannot see how else you could have control by the Bank of Canada in respect of borrowing programs in provinces and municipalities. Is the Bank of Canada merely to be a supine instrument reacting to individual actions and programs of municipalities and provincial governments? I hope this question will be considered seriously by hon. members. We will likely hear about these points. I want to know how deeply they are prepared to consider this matter. I suggest that as far as I am concerned their whole thesis completely disregards the role of the central bank. The Creditistes have completely forgotten the role of the Bank of Canada in relation to the International Monetary Fund and the World Bank. Of course, that is an attitude which—

Mr. Rondeau: National first, and then you starve.

Mr. Lambert (Edmonton West): They say national first and then we will starve. Why? Because we cannot then sell anything abroad. They can say that, but I want to come back to some of the things that affect the role of the Bank of Canada and the Minister of Finance. I have before me a copy of today's Montreal *Gazette* which has an article on the $410 million roll-over issue the Minister of Finance as accomplished.

This afternoon the minister loudly proclaimed the foreign exchange fund holdings of the government and said that the Bank of Canada was in the best possible position it could possibly be in. This is not as a result of the minister's action or action on the part of the government. I suggest to the minister that we can believe him as much now when he stands up and says certain things as we could believe him last year. He is as believable or credible now as he was in mid-May when he said there was going to be a balanced budget. His colleague, the President of the Treasury Board (Mr. Drury), said in September that the government had missed the boat by $400 million. Some five weeks later the Minister of Finance came into the house and said he was sorry that he had missed the boat by $725 million. How on earth could he miss the target by $725 million? How can we believe him now when he says that everything is equivalent to the best of the best possible worlds?

Let us look at what he has done in respect of the bond issue. The terms of this bond issue and the commentaries that have appeared amount to a clear indictment of government policy in respect of inflation. This is what we see in the papers. There is reference to $410 million in government of Canada bonds dated April 1, 1969 made up in one part of one year and one month or 13-month bonds at 7.09 per cent due May 1, 1970. The issue price was 99.90 per cent yielding about 7.09 per cent at

maturity. The government is now borrowing at a 13-month rate of almost 7 1/10 per cent.

We know that on 182-day bills money is costing the government almost 7 per cent. We then find another sector of this bond issue on the basis of three years at 7¼ per cent due the first of April, 1972, issued at 99.9 per cent and yielding 7.29 per cent. We then find a third group, five-year bonds at 7¼ per cent due the first of April, 1974, issued at 100 per cent and yielding 7¼ per cent at maturity. This latter group of 5-year bonds is exchangeable by the holder into ten-year bonds at par on the basis of 7½ per cent. The yield is at the same rate over a period of ten years commencing on the first of April, 1974. This amounts to about 7.39 per cent for the full 15-year period commencing on the first of April, 1969. This is merely an exchange for bonds bearing much lower rates of interest.

If I recall accurately, back in 1958-59 the minister of finance of that day was told when he attempted to finance at 4¾ per cent or 5 per cent that he was selling the country down the river or harnessing the country in a financial strait-jacket. The present Minister of Finance says that we have not seen anything yet. He says he will show us what he can do. Yes, he is going to shackle the country with a bond issue for a period of 15 years at 7.4 per cent. Who is now fastening the country with shackles? What an increase!

• (3:50 p.m.)

Are we to believe this government when it says it is coping with inflation? We can go back to the arguments of the budget debate when the minister said he was going to increase expenditures this year by over $800 million. The principle seems to be to tax up to the expenditure level, not to spend within the revenue level of the country. If the minister made the exchange I think Canada would be in a far better position. But instead we spend and then tax up to those expenditures. This is a footnote to the act: "In addition the Bank of Canada has agreed to acquire from the government a further $50 million of the new 7¼ per cent bonds—that is the three year bonds—further $25 million of the new 7¼ per cent five-year bonds and $75 million of government of Canada 5¾ per cent bonds due October 1, 1969, which are placed by the Minister of Finance in the securities investment account." In other words, the public is being asked to take $410 million in a roll-over and the Bank of Canada likewise is going to do $75 million worth of roll-over. No new money in any of that!

Mr. Benson: No.

Mr. Lambert (Edmonton West): It is a good thing the minister is not going for new money because it is my information that the Canada savings bonds campaign of last fall, which was touted loudly by the minister as being such a resounding success—after all, the issue was paying over 7 per cent effectively—produced merely about $70 million of new money.

Mr. Benson: It was $700 million.

Mr. Lambert (Edmonton West): It was not $700 million of new money, not at all. That is not what my friends in the bond business tell me. I ask, Mr. Speaker, how much of that money has remained and has not been reconverted? The Bank of Canada is also being used by the government to support these sagging bond issues. Every time the Bank of Canada intervenes and purchases bonds it places more money at the credit of the banks in their central reserves and expands the reserves on which they may lend. Because there is inflation, because the government cannot control it, because government bond prices are sagging, the bank is forced to act on behalf of the government. This results in a much greater flow of money.

The cash supply is today vastly in excess of what it was in April of 1963 when the Liberals took office. The net result, of course, is that since that time we have seen the cost of living index rise by about 25 per cent. It is now a little more difficult to see the true change. On January 1 we saw the new index which already, based on 1961, is up to 122 or 123. If 1961 is 100, it has already gone up well over 20 per cent. My time is limited on this type of motion, Mr. Speaker. All I can say is that the motion is far too vague, it certainly has not been spelled out, and I cannot support it.

Mr. Max Saltsman (Waterloo): Mr. Speaker, like the hon. member for Edmonton West (Mr. Lambert) I cannot support this motion. I understand the spirit that motivates this attempt at changing the system under which the Bank of Canada operates, that is, changing its terms of reference. I have been in this house for a number of years and have had occasion to listen to many of my hon. friends to my left. I have become aware of the fact that there is a genuine sentiment there that speaks on behalf of the frustration of the

little people in their part of Canada. But I cannot agree with some of their theories, as I am sure they do not agree with some of mine. I cannot appreciate the motivation that prompted this kind of motion because what my hon. friends are saying in effect is that in a country so rich and prosperous, in a country that has so many needs and in which people are not being looked after to the extent that our resources would seem to indicate they could be looked after, something is wrong and they turn to the Bank of Canada as a way out of this dilemma. I do not think that is the answer.

The hon. member for Edmonton West has said that the motion is little more than a pious hope. I have the feeling that since nothing else has had any effect on the Minister of Finance (Mr. Benson) and the government, perhaps a little piety is not out of place. When I listen to the hon. member for Edmonton West I cannot help thinking that there but for 200 years goes Adam Smith. I say this with great respect to my hon. friend because Adam Smith, like himself, was a great man.

I sometimes wonder how the hon. member can launch such criticism at this time when looking back on his own government's record in office he is faced with such an example of failure. Those were the years of some of the highest unemployment in Canada and a financial anarchy that even this government has not been capable of developing. It is difficult to accept his arguments at this time and it is difficult to accept his criticism of the government. To put it perhaps in its tritest form, it is a case of the kettle calling the pot by a colour.

This government deserves to be criticized. I think it has mishandled and mismanaged the economy of the country. This has happened because it has much the same terms of reference as the Conservative party when it was in power. It has the "hands-off" attitude, the attitude of letting the interest rate determine the priorities of our society. In effect, whoever can pay for things gets them and those who cannot pay do not get them.

We know that in any society human and capital resources are limited. If the competition for those resources becomes great, as is the case today, obviously those resources are bid upwards. The question then becomes: What do we do in a situation like that? Do we simply stand back and let the market determine our future? Do we relax and say: There is nothing we can do about this situation? Do we wring our hands and say: It is none of our business, it will straighten out later, we really have no control over the situation? I got that sort of answer from the Minister of Finance this afternoon, who suggested that I read the Bank Act. I presume he meant that the Bank Act does not permit the government to intervene.

• (4:00 p.m.)

Surely the Minister of Finance is putting me on. He knows that the government intervenes in these matters, and the statement of the previous minister of finance should convince him if he does not know this himself. I am sorry I do not have the exact quotation of the words of the previous minister of finance, but if the minister is interested I can get it for him. He said in effect that it is the government of Canada through the Minister of Finance that determines the interest rate in this country, and this is on the record. I admit that this is done within the restraints of the existing conditions in the world.

I suggest that the government can go even farther than it has in the past in deciding on the allocation of our resources. This is central to what is going on in this country. There must be a deliberate decision on the part of the government as to how our resources shall be used and who shall have access to them. I cannot see that a society with the knowledge that is available to us at this time could choose to do otherwise than to say: "We are in control of our destiny and of our future and we intend to exercise the sovereignty that was given to us by the people on behalf of the people to give them the kind of life and the kind of society to which they aspire".

In the last election a leader of a political party travelled throughout the country and virtually set the imagination of its people on fire. They looked at him and agreed there should be a change; after their disillusionment with politics here was somebody who would really use the reins of government and create a just society. This is what the people of Canada wanted, and I suggest that this is what the people of Canada can have if the government wishes to live up to the promises it made on the hustings.

Let me put forth a number of examples to demonstrate the kind of problem that exists in our society, and let us ask some questions about these instances. First, let us take the question of building banks. The Royal Commission on Banking and Finance pointed out that Canada probably has twice as many branch banks per capita as the United States

and some of the other countries of the world and that one of the effects of this overbuilding of banks is to increase the overhead costs. It pointed out that it was far costlier to bank in Canada than in almost any other country. Why do we need all these banks? Why do we have to continue this massive program of building bank structures? This is true not only of banks.

Let us take a look at small towns. The main streets are dominated by finance companies, trust companies and banks. Do they serve to reduce the rate of interest? What useful purpose does all this overbuilding really serve? Does it create competition? I doubt it. One has only to look at the rates that are offered. All the banks charge the same and virtually all trust companies charge the same for the same kind of risks. Finance companies are limited by legislation. What is the point of all this and what does it really get us except higher costs and an allocation of resources to a sector that is extremely wasteful and that deprives us of capital which could be used to better purpose elsewhere?

I could make the same argument with regard to service stations. I could ask: In which way is the gasoline at one service station different from the gasoline at another service station, and why does every corner in this country have to have a service station? Even the oil companies realize that this is wasteful, but their argument is that this is the way the system works and there is very little they can do about it even if they wished to do something about it. So even in the case where industries would like to do something about the situation they cannot because they have become victims of Adam Smith. Only the government can step into this situation and create order out of the financial chaos and the capital waste.

It is small wonder that we do not have money for houses when the money is being used in these directions. When we take a look at the way goods and services are brought into the market today, at all the waste, at disposable bottles, fancy packaging, cellophane wrapping and all that goes with it, as well as the advertising that accompanies this sort of thing, we have to ask: Is this the kind of thing on which to spend money when 20 per cent of our population lives in poverty? Is this the kind of thing on which to spend money when we cannot educate our people to their full ability, when we cannot provide them with the necessary medical services, when, in the course of spending money on these things, we pollute our environment at the expense of who knows what future detriment? Where is our sense of values? It is our tax system that encourages this kind of expenditure.

Does the government not realize that it can make a substantial change in its order of priorities simple by changing the tax system, and that this is not very difficult to do? We are not talking about setting up huge bureaucracies to do this sort of thing. Only one simple change has to be instituted. We have to say that selling costs are no longer deductible for income tax purposes and that we will change our distribution system. We will make these products carry the full economic cost instead of subsidizing them through the tax system. We virtually encourage this sort of thing at a time of a tremendous shortage of financial resources, and human needs are being neglected while frivolous spending is being subsidized.

I have no quarrel with some of the monstrous television commercials depicting people going around with their arms stretched upwards and other people smelling their armpits. We are told that this is their chief occupation on the north American continent, that if your armpits do not smell nice there is something wrong with you, and that everyone must be judged on this basis. If people want to buy this stuff, let them pay for it, but at the moment they are not paying for it. Every taxpayer in this society, whether or not he buys that product, whether or not he abhors that sense of values, is paying for it because that is the way our tax system is designed. In effect we say to these people: "For every dollar you spend on this kind of nonsense we will give you back 50 cents as a subsidy." Surely this is not the kind of tax system that should be encouraged or should be continued.

Sometimes I would like to know how much of the resources of our society go into this nonsense of selling. A number of years ago I saw an article that said that almost 50 per cent of the cost of goods in Canada is spent on distribution. We know that some distribution costs are necessary and desirable, but surely 50 per cent is too much. This is an enormous cost and an enormous wastage of our resources.

I could elaborate further on this disease of our society by pointing out that on the one hand we subsidize this waste and on the other we pay for cleaning it up. It may be that disposable bottles are more convenient for the people who use them, but who pays for cleaning up the disposable bottles afterwards? If people want disposable bottles I think their

total cost should be added to the purchasing cost instead of being subsidized through the tax system. The problems that are being created cost money which has to be paid by the taxpayer whether or not he likes or uses disposable bottles. That is one example but there are many others.

• (4:10 p.m.)

I am suggesting that there is not sufficient capital to meet all requirements; neither are there sufficient resources. The motion before the house seeks to find a way of establishing priorities through the Bank of Canada. I do not think this is effective. I should like to argue this point more fully but I do not have the time at the moment. It is sufficient for the purpose of this debate to say that I do not think we can do things in this way.

However, the intent of the motion is very clear. What my friends to the left are saying is that we have to find some way of making the requirements of the public of this country available at lower cost. There are other ways of exploring this proposal. For example, not very long ago we wanted to stimulate housing construction in the winter and in order to do so a bonus of $500 was paid on each house so constructed. This worked very well and almost revolutionized the construction industry in terms of stretching out work. The seasonal attitude of the industry changed. That particular form of incentive proved most effective.

I suggest to the Minister of Finance that he consider this kind of incentive approach in order to stimulate housebuilding in this country, particularly houses that are within the reach of the low and medium income groups. This can be done, as I suggested earlier, by using the taxation system. If the minister were to announce that the tax on building supplies, would be refundable in the case of certain types of housing construction, this would have the desired effect of stimulating house construction. It would work in this way. In the construction of a service station, a bank or a luxury office building a whopping sales tax would be applied on the building materials required. In the case of the construction of a low or medium cost house the sales tax paid on the materials would be rebated. The same level of taxation would be maintained simply by shifting the taxation from one source to another. There is ample precedent for this. The minister attempted to do it with estate tax and it is done under our income tax system. A differential sales tax on building materials should be considered in order to stimulate the construction of certain kinds of houses.

The hon. member for Edmonton West—I am sorry he is not in the house at the moment to engage in debate on this particular aspect—might be horrified at my suggestion that the government make value judgments about our society, that the government should say that some things are more important than others. My hon. friend from Edmonton West might say that this is not the role of government, that the marketplace should make judgments of that kind, though when his party was in office obviously it did not completely believe this theory.

I think that the role of government is to make value judgments. That is why governments are elected. The issues of an election campaign are the kind of society we are going to live in and the kind of value judgments we are going to make. This is done by the government now through the taxation system. The government says that some things are more important than others, that some things should receive a bonus and others a penalty. It is incumbent upon any responsible political party to make value judgments according to the wishes of the people.

I think the wishes of the Canadian people at this moment are quite clear. At a time when three-quarters of the people of this country cannot find adequate housing they want the government to make a value judgment that will stimulate housing construction within the reach of the low and medium income earners of our society. This the government has failed to do. More than that, the government has gone or appears to be going in the other direction. The task force on housing suggested that even the limited intervention the government now makes in our money markets should be discontinued, that the entire financing of housing mortgages should be left in the hands of the financial institutions of this country. It said that the government should not appropriate any funds for housing nor make value judgments about their disposition; the entire matter should be one for the free market. I think such a proposal would be disastrous and should be resisted with all the power at our command.

I should like to recall to the house a statement that I made in 1966 when the Bank Act was being debated. At that time we were being told that we should take the ceiling off bank interest rates, that if we allowed the

rate to find its own level everybody would benefit and there was the possibility that rates would come down. I should like to quote what I said in the house on July 7, 1966, as reported at page 7321 of *Hansard*:

> To remove the interest ceiling without proper safeguards is to raise the cost of every single thing in this country. We know the banks are lent out. All financial institutions are lent out. How will the minister get more mortgage money unless it is diverted from other sources? How will he get cheaper money in the circumstances he is developing for us? If the bank rate in this situation is freed from restriction or permitted to increase, I have no hesitation in saying that Canada will face the highest interest rates, the highest cost of money, in all history. It is to put the cost of money in Canada at a height it has never achieved previously, and one that no one at this point can calculate. Interest rates of 8 per cent and 9 per cent on commercial lending may be possible through this type of approach.

I remember very clearly that on that day the minister of finance of that time sat and hooted, as if to say: "Interest rates of 8 and 9 per cent? You have to be out of your mind! It will never happen in this country". But what are interest rates today? There are people in this country who would consider themselves fortunate to obtain money at 8 or 9 per cent. The effect of removing the interest rate ceiling has been to send interest rates skyrocketing. The effect of removing whatever protection there is now under the National Housing Act would be that the interest rate would go even higher than it is. The minister's contention is a myth that has been completely demolished by past experience.

The bond market in Canada is not in a very happy state at this moment. I think the minister was fortunate and somewhat astute in the timing of this latest issue. We may never know the full details about what went on behind closed doors before the issue was made. But we can speculate. Perhaps the minister went to the chartered banks of Canada and told them that if they were thinking of raising their prime rates they should refrain until the market had been approached. If the minister had in fact done that I am sure the banks would have responded. There is no independence among our chartered banks. Sometimes their heads make speeches to give some indication that they resist what the Minister of Finance is doing, but my feeling is that the banks really have no choice but to accept what the minister says. When the Minister of Finance wants certain things to happen in the banking system, they happen. His persuasion may go beyond mere moral persuasion. The minister may refer to the Bank Act and say he has limited powers, but I say that he has very real powers over the banks because he may introduce changes in the present framework within which banking is conducted. He has the ultimate power in that at any time the government may change the Bank Act.

• (4:20 p.m.)

The Acting Speaker (Mr. Béchard): Order, please. I interrupt the hon. member to inform him that his time expired a short time ago.

Mr. Bell: On a point of order, Mr. Speaker, since the hon. member for Waterloo called the attention of the house to the fact that our financial critic, the hon. member for Edmonton West, is not in the house may I say by way of reply that he is not here because he is working very hard in a committee. I thought it wise, knowing how this house operates, to place this information on the record.

Mr. Saltsman: Mr. Speaker, I would not wish the record to give the wrong impression to anyone perusing it. We are all aware that the hon. member for Edmonton West works very hard and that his absence is unavoidable.

Mr. Benson: Mr. Speaker, if hon. members would consent I would have no objection to allowing the hon. member to continue his remarks.

Mr. Saltsman: Thank you, but as I took advantage of a similar opportunity last night I shall not do so at this time.

Mr. F. J. Bigg (Pembina): Mr. Speaker, although I do not usually answer partisan attacks I cannot resist answering the attacks of those who speak disparagingly of our banking legislation and the financial structure of Canada. While talking about changes that might be made in the financial structure of our country it might also be well to point out some of the so-called differences in the ideologies of certain parties in this house. In some circumstances it is difficult to distinguish between the Liberal party and the socialists. Much of the difficulty the present administration has got into stems from the fact that the Liberals have abandoned to a great extent the old concept of Liberalism

and have tried to outsocialize the socialists. This is a path of no return. It cannot be done. I hope the socialists will never be responsible for the fiscal policy of this country. We can see what has happened where socialist governments have ruled. Poor old England has floundered under socialism since the end of the second world war. Her troubles stem not so much from the fact that she has fought two wars during my lifetime but that socialism has sapped her energy.

As a creed, socialism goes against human nature. It does not work in a modern world. After people have worked hard and stored up wealth a socialist government then comes along, takes it away from the people and spends it. Not until men have worked hard in modern factories storing up a nation's wealth can a socialist government take that wealth away. Socialism cannot work as a short term solution. It just does not work.

Unfortunately, socialism is being taught at Harvard. In North America socialism has been introduced by well meaning socialists who left the old country and came here with a great deal of education but little wisdom. This creed, being taught at a centre of learning in the heart of the United States, contains the seeds of the downfall of that country if it is allowed to flourish. If the United States declines as a world power, as our own Prime Minister has suggested it may, that decline will stem from the rot of socialism coming from within. That rot will set in when its people are no longer willing to work hard, as they must in any modern society. That is my opinion, and I am not alone in holding it. I therefore suggest that the government should take a good look at all its programs. It is never too late to mend.

The government should examine again the old Liberal policies involving hard work. It should not spread wealth among the lower ranks but encourage those with small incomes to work hard and better themselves. Instead of saying to small farmers, small businessmen and others, "we are here as big brother to help you," it should say to them, "we are not going to carry you but at the same time we are not going to burden you with taxation in an effort to be more socialistic than the socialists are." If the minister says that cannot be done, I say he will be replaced. It is necessary for our leaders to tell our people that they can have a better life only by working hard and adopting the principles of private enterprise.

Some hon. Members: Hear, hear.

Mr. Bigg: In tired Europe they may need socialism in order to hand out rations of one kind or another. But we in Canada need no kind of rationing. We need the kind of leadership we had in the latter part of the 19th century and the early part of the 20th. I would say that period of leadership ended in 1962.

I say to the hon. member who preceded me that in suggesting that the last five years of the regime of the right hon. member for Prince Albert (Mr. Diefenbaker) were not good for this country he is mistaken. Our people have good memories. We assumed the burden of previous unemployment. And what did we do about that?

Mr. Rondeau: You increased it.

Mr. Bigg: We put the people of Canada back to work.

An hon. Member: You increased unemployment.

Mr. Bigg: And what did we do with the millions of bushels of unsold wheat then in this country?

An hon. Member: You gave them away.

Mr. Bigg: No. We sold wheat at record prices in markets that had previously not been open to us. Our idea was that hungry people had the right to be fed as long as they could produce cash for our wheat. When we took office many of our people were unemployed because they lacked training. The training program introduced under the Conservative government of that day under the leadership of the right hon. member for Prince Albert and hon. Michael Starr did much to correct the difficulties of those who had dropped out of high school and could not gain employment. That was the finest program of its kind and in my opinion had never before been equalled in the history of mankind. If hon. members call what we did backsliding, let us have more of that type of backsliding.

It was strange to hear the kind of criticism that came from those who purport to be the friends of the people and who coined the phrase "the just society" before the Liberals took it over. The just society is more than mere words; you can only have it when you put into operation certain principles that affect all our people. The just society means

that the small businessman, small farmer and small entrepreneur will not be taxed out of business. Bigness alone in business is not a virtue.

I am surprised that those who purport to have taken over the mantle of Sir Wilfrid Laurier should try to outsocialize the socialists in introducing give-away programs. There is no such thing as a give-away program. You can only give away under such programs what does not belong to you, namely, the wealth that has been earned by others. You take wealth from those who have earned it and give it to those who have not earned it. It was the policy of the right hon. member for Prince Albert and Hon. Michael Starr that every worker in this country should carry his part of the burden. When that is done our budgets will balance. A biased press and other biased media of mass communication were influential in persuading the uninformed part of the public that we had made a colossal mess of running this country. That was nonsense. We inherited the mess. Anyone examining the facts will see that what I have said this afternoon is the gospel truth. Mr. Keynes, who is the keystone of socialistic economics may be—

• (4:30 p.m.)

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Etobicoke has a question.

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

Mr. Bigg: Yes, I would be delighted.

Mr. Gillespie: Would the hon. member tell the house in what years during the Diefenbaker regime the unemployment rate was lower than it is today and in what year the Diefenbaker government balanced the budget?

Mr. Bigg: The budget was balanced in 1963. A budget cannot be balanced immediately on takeover. I am talking about the general trend of economic development. I am generalizing on the theory of the government and the current trend. I suggest to the minister it is time we took a good look at the general plan. I would like to know whether the government is setting the fiscal policy of Canada through the minister or, as the socialistic critics say, is merely the tool of the banks. I do not believe that.

The government of Canada has the power to set fiscal policy. The Bank of Canada is nothing more than a rubber-stamp of parliament if we so want it to be. It is the creature of parliament and cannot operate without our authority. We have full power to do anything we like and, if necessary, we should do it. No piece of paper should come between this house and the welfare of the people of Canada. If the minister can show clearly that the Bank Act or the terms of reference of the Bank of Canada come between Canadians and their welfare, we are quite willing to amend the Bank Act. The removal of the ceiling on interest rates was effected in good faith, although I am not sure whether the result was good or bad. The cost of living was not lowered by this action.

I am not at all sure that by allowing money to be at an interest rate of 8 per cent or 9 per cent and making more money available we will eliminate those who charge 18 per cent or 30 per cent interest. At one time it was impossible to borrow money unless one went to the "skin market". I like to think some people make a good living from financing. People who charge excessive interest on mortgages, cars and many of the necessities of life could now lose their businesses with money available at 8 per cent or 9 per cent interest. If this is not so, we should study the financial structure of Canada.

The possibility of the government and the Bank of Canada lending unlimited sums of money to finance municipalities should be approached with caution. Municipalities and provinces can overspend their budgets. If the provinces were offered loans with a very low or incentive rate of interest, a colossal provincial debt could result. I do not agree with hon. members who suggest that unlimited credit should be extended to the provinces. Possibly the experts could ascertain that they are not being charged unnecessarily high rates of interest.

I believe it would be safe to lend the rich province of Alberta large sums of money for education, resource railroads or even medicare. If the people of Alberta want medicare and wish to enlarge their capital expenditures for hospitals and the training of nurses, the province may wish to borrow large sums of money. If money were lent to them at extremely low interest rates or without interest then necessary spending would be encouraged. To discourage necessary spending would be to close the gate on one side of the barn and open the gate on the other.

The government is responsible for fiscal policy and I hope this government will stop the trend toward socialism. There must be a reawakening by the government and by the Canadian people. It is not necessary for the

government to be a big brother to everybody. People must be encouraged to stand on their own feet. I made notes of five specific points which would aid this trend without encouraging socialism.

We are not doing enough to seek world markets. The government sits at home hoping that something will happen so that we can sell our wheat or cut down our acreage. Wheat can still be sold and other products as well. I notice that Russia became friendly with Cuba by offering five cents a pound for sugar. We want $2 a bushel for our wheat and some prairie farmers would like to receive $3. If that is the case, surely the Cubans are entitled to five cents a pound for their sugar. If we insist on buying sugar from the Cubans at fire sale prices, the world has the right to demand wheat from Canada at fire sale prices. The people in charge of our export trade should suggest to the Cubans that our country will pay them a living price for their sugar if they will pay us a living price for our wheat. In this way world trade could be built up which would be helpful to Cuba, Red China and other countries suffering from food shortages.

There is not enough being done to develop our own resources. This is an area where tax incentives would be helpful. Why should capital gains be taxed? I feel the line should be drawn when it comes to the family farm that had little value at the time the land was cleared. At that time it was purchased for approximately $10 and now is worth 20,000 or $30,000. The value has increased by approximately $1,000 a year. Should part of that be taxed as a capital gain? This should be looked into. Should a man have to pay a large amount of tax on capital gains when he has gambled on the gold market by making available small amounts of money for prospectors to go north, tramp through the frozen wilderness and find gold? Surely this is a tremendous risk. There is a 10,000 to 1 chance of ever making any money. If he strikes it rich, should he be subject to a large capital gains tax to support a system which I think is basically wrong? There is no necessity for any man to live off the labours of another man if the former is capable of working but is unwilling to work.

• (4:40 p.m.)

A great deal more could be done to improve the unemployment situation by further training programs. The training program set up by the Diefenbaker régime does not go far enough. Many improvements could be made. For example, we are not doing enough for the young people who come from the overcrowded small farms and the fishing villages of Canada. Are they given adequate living allowances to attend technical training schools in the cities? Have they the same opportunities as those who are city based? I do not think so. Are we doing enough in research to keep our brilliant young people in Canada, those who could keep Canada out in front? Are we still working in Canada with second-rate tools? Remember, the United States lets us have its sophisticated equipment only when it is out of date in that country. What are we doing to make sure that Canadian technicians are equal to or even ahead of the Americans? This is something we ran into when discussing the question of drugs.

People are always looking for quick answers. We in parliament should do research into these things when preparing legislation in order to underpin and secure the right of Canadians to earn a good living in Canada, in their own factories, on their own farms and in their own schools and universities.

Reference has been made to tax incentives. How in the world can we do anything about mortgages as long as we have the iniquitous 11 per cent sales tax on every housing unit we build in Canada? When I built my house the interest rate on mortgages was 6 per cent. Now it is 9¼ per cent. Our young people are going to have to pay this.

An hon. Member: That is the just society.

Mr. Bigg: You know who invented the just society. And above all, now we are to be governed in Canada by committees. The House of Commons is old and out of date. I am a member of the Public Accounts Committee. The members of that committee are supposed to try to stop waste and extravagance. That is not partisan. Some of the waste and extravagance goes back for many years. What is being done about it? Very little is being done. Waste and extravagance have to be paid for by increasing interest rates. Money has to be borrowed to pay for the waste and extravagance.

Waste and extravagance should be stopped at all levels of government. We should start right here with the government of Canada

and stop waste and extravagance in every department. We should stop teaching that Canada owes us a living, like Kennedy said in the United States—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Benson: On a point of order, Mr. Speaker, we on this side would be pleased to allow the hon. member to finish his remarks if he so wishes.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): There is no unanimous consent.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, it is a pleasure for me to take part in this debate and to second in an unqualified way the non-confidence motion introduced by the Social Credit Rally and which reads as follows:

"That, in the opinion of this House, the government should consider the advisability of making use of the powers and resources of the Bank of Canada for the purpose of alleviating the taxation burden which weighs upon Canadian, provincial and municipal taxpayers and for undertaking an efficient struggle against poverty in order to establish a just society."

Mr. Speaker, one of the most important, if not the essential step to take in order to come successfully to grips with poverty is to provide families with an income that may enable them to lead a free and happy life and to bring up their children decently to make first class citizens of them.

The Canadian Welfare Council which, last January 29th, published its report on the social policy in Canada, gave top priority to the increase in family allowances. Here is the text of that statement which in an admirable way sums up the stands of the Canadian Welfare Council, and I quote:

A sharp increase in family allowances and young people allowances from the federal government, with modified regulations regarding the income tax, is economically possible and socially advisable—

—as states Mr. Reuben C. Baetz, general director of the Canadian Welfare Council, on the occasion of the publication on Wednesday January 29th of the statement of the above said council which is entitled "Social policies for Canada".

In addition to many other advantages, a sharp increase in family allowances and young people allowances would mean a quick and fair means to fight poverty.

Such increase would be an immediate step, but probably only temporary if a guaranteed income plan, based on family size, must be instituted in the future.

Increased family and youth allowances are socially desirable for a number of good reasons. Among the 30 per cent of Canadian people living in poverty, according to the Economic Council of Canada, there are several thousand families with many children who, through their own volition and pride, succeeding in not depending on public assistance. It is perhaps an everyday irony for such families—

This fact should concern the nation. And this report goes on to state:

—that many of them have not even the minimum and very often have a family income lower than their neighbours who are living on welfare and get assistance, at least theoretically, according to their needs.

An increase in family allowances would be of great financial assistance to those low income families without putting them under a degrading justification of their needs, and without destroying their sense of dignity. Such increase would encourage them more to remain independent and without depending on welfare.

This would alleviate significantly the obligation for our welfare services according to needs by allowing them to give better service to those who have a good reason to benefit from them.

A more adequate family allowances plan should encourage families to keep their children in school. This is of special significance in the light of the growing need for better education.

• (4:50 p.m.)

An adequate family allowance system would help to reduce the marked regional differences in family incomes; it is quite an important point at a time when we are so much concerned with national unity.

An adequate family allowance system reduces the tendency to set up social insurance systems based on earnings by setting the benefits according to the size of the family rather than according to earnings only.

All citizens anxious for the establishment of a humanly just society will readily agree with those proposals of the Canadian Welfare Council.

If one refers, Mr. Speaker, to the debate held when the bill for the establishment of family allowances was introduced in 1944, it is interesting to note certain words of the mover of that bill in the house, the then prime minister, Mr. Mackenzie King.

This is what he said in the house on July 25, 1944, when he moved the second reading of that bill.

> The announcement in the speech from the throne was as follows:
>
> The family and the home are the foundations of the national life. To aid in ensuring a minimum of well-being to the children of the nation and to help gain for them equality of opportunity in the battle of life, you will be asked to approve a measure making provisions for family allowances.

I wish to point out, Mr. Speaker, that Mr. Mackenzie King was then speaking of a minimum of well-being and an equality of opportunity.

Further on, he explained the purposes of that bill, according to his philosophy, and I quote:

> It has always been a part of the policy of the party to which I belong to do as much as possible to further equality of opportunity.

Mr. Mackenzie King gives statistics to show that large working class families did not have equal opportunities in society and that the legislation on family allowances by adding to their revenues would allow them to fight for life with as much, if not more chance than before.

Further on, Mr. Mackenzie King explained the measure was also promoting the interests of the entire community rather than those of a particular class. I quote:

> —no nation liveth to itself, that we are members one of another, and that, if any part of the community suffers because of subnormal conditions, sooner or later other parts of the same community will suffer likewise. You cannot have one section of the nation undernourished, ill-clothed and unequal to its daily tasks, and not have the rest of the nation sooner or later suffer as a consequence.

The plea of Mr. Mackenzie King pointed to the necessity of helping families, particularly through allowances.

The former prime minister stressed also the advantages of family allowances for the nutrition of Canadians.

Finally, he emphasized the fact that family allowances did not replace wages but supplemented them to allow families to live better.

Of the concept of family allowances and the philosophy behind them, one must remember that they were designed to increase the standard of living of children and their families.

Wages and other forms of revenue that do not as a rule vary with family obligations proved to be insufficient to meet basic needs of large families in which children are raised in conditions of poverty, and thus are frustrated in their physical and mental development.

It is therefore possible to perceive the presence of purely economic purpose behind most of the national family allowances plans: the concern to lift to an acceptable level the family's buying power, particularly that of low income families.

According to a 1947 issue of the International Labour Review, the law adopted in Canada implicitly recognizes this objective. Here is what we could read in four points, Mr. Speaker:

> 1. Public grants should be established, whether in kind or in money or in both, to allow children to be brought up in healthy conditions, to help take care of the children of large families and to complement the measures taken for the good of children under the family allowances plan.
>
> 2. When the objective is to help bringing up children in healthy conditions, the grants should take the form of benefits, such as free food or at less than cost price for children in infancy, school cafeterias and housing at below normal rent for families with several children.
>
> 3. When the objective is to help take care of large families or to complement measures for the good of children, whether carrying benefits in kind or established under the social security system, the grants should take the form of family allowances.

And finally—

> 4. These allowances should be paid, whatever the parents' income, according to a schedule that would represent a substantial contribution to the maintenance costs of the child and would take into account the expenses incidental to the maintenance of older children.

This is therefore an opinion put forward by the Canadian Welfare Council and it corresponds to that of the Economic Council of Canada.

Now what was the measure suggested by the Liberal government in 1944 in order to supplement the family income? Section 3 of the Family Allowances Act reads as follows and I quote:

> Subject as provided in this Act and in the regulations, there may be paid out of unappropriated moneys in the Consolidated Revenue Fund, in respect of each child resident in Canada maintained by a parent, the following monthly allowance:
>
> (a) in the case of a child less than six years of age, six dollars per month;
>
> (b) in the case of a child six or more years of age but less than ten years of age, six dollars per month;
>
> (c) in the case of a child ten or more years of age but less than thirteen years of age, eight dollars per month; and

(d) in the case of a child thirteen or more years of age but less than sixteen years of age, eight dollars per month.

This was in 1944-45.

In this regard, I would like to point out, Mr. Speaker, that this schedule established in 1944 is still in force and that it has not changed for 25 years or a quarter of a century.

Now the 1944 Act set the schedules to which I have just referred. There is no doubt that the law-makers at the time did not intend to fix the rates for a period of 25 years, for it is obvious that today such rates destroy the philosophy that was behind the legislation then enacted and that they no longer correspond to the ends sought when the Family Allowances Act was passed.

Since then, Mr. Speaker, the cost of living has increased considerably, mainly as concerns food. For instance, if we take as a basis the cost of living index of 1949, set at 100, we readily see that in 1949 a dollar could purchase $1.34 worth of consumer goods at 1944 prices, when this legislation was passed.

On the other hand, if we consider the cost of living index today or the consumer price index, we realize that a dollar is worth 64 cents only in 1968 as compared to what it was worth in 1949.

In 1949, the consumer price index was set at 100, whereas it stood at 74.6 in 1944. On the other hand, that same index has gone up to 157.5 in 1968. Therefore, it has more than doubled.

• (5:00 p.m.)

Therefore, Mr. Speaker, if family allowances are to preserve the value they were attributed in 1944, such as encouraging the development of families and insuring them a minimum of well-being, the rates must now be doubled.

At a time when governments are being asked to control expenses and to decrease taxes, where will the money come from? Is decreasing taxes a solution? The Créditistes have a ready answer, even though the hon. member for Edmonton West (Mr. Lambert), who was one of the first to speak on this subject, asked how it is possible to accept our theories. The answer might be that he should take some advice from his party caucus and ask the hon. member for Red Deer (Mr. Thompson) to give him supplementary information.

Nevertheless, the Créditistes have a quick answer: from the same sources as the banks whenever they lend money and create deposits out of nothing.

If it is taken for granted that the Canadian production of real credit is equivalent to twice our national consumption or more, it is possible to arrive at figures indicating the true benefits of real credit being realized by the Canadian people and to credit each Canadian citizen with his share of this surplus value.

The real national credit is defined as social credit, a common credit which belongs to all. On his appearing before the standing committee of the house on banking and credit, in 1934,—one year before I was born—the founder of Social Credit, Major Douglas explained the origin of a national dividend as follows:

> It is the surplus value through association. For instance, this is the case when ten people are pulling a load. If they pull separately, they might try for a week without moving the load. However, if the ten of them use a rope and combine their efforts, the task becomes easier. The ten men can do together what they could not do separately.
>
> We cannot say that the tremendous production increase made possible by the association is due to the efforts of one person only, it comes from the association. The result is the profits of this association that have become so important that we have reached a phase where a decreasing number of people, much lower than the available number, is able to produce the necessary wealth for the whole of the people.
>
> The surplus of wealth thus produced belongs to society because it comes from the automatic surplus value of the association.
>
> The real problem of our time consists in coining this surplus value and in distributing it. This is the base of the Social Credit philosophy.

It is for this reason, Mr. Speaker, that I shall support the motion moved by the hon. member for Shefford, in order to make use of the powers and resources of the Bank of Canada for coining the real credit of this country; coining the surplus value earned by the social work and the joint capital in order to distribute this surplus value in a social fashion.

History teaches us that over the years, there have been three kinds of currency: cash money, credit money and near money. History is nothing but day to day experiences, and these experiences teach us also that credit money is used today as a means of exchange for almost all kinds of goods in this twentieth century.

If since the last century, governments or sovereign powers have withdrawn to private banks the privilege to issue money or to print banknotes, before the end of the twentieth

century, those same sovereign powers will have to take back the control of the issuing of money and of the credit supply, presently in the hands of private organizations.

The Acting Speaker (Mr. Béchard): I am sorry to interrupt the hon. member, but his time has expired.

It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Brandon-Souris (Mr. Dinsdale)—Canadian Film Development—Establishment of an advisory commission; the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Nurses of Westminster hospital, London (Ont.); the hon. member for Halifax-East Hants (Mr. McCleave)—Boarding up of housing units, Oakville (Ont.).

Unless the house allows the hon. member to carry on his remarks, he will not be able to do so.

Some hon. Members: Agreed.

Mr. Matte: Mr. Speaker, I am very grateful to my hon. colleagues.

By virtue of the regalian right it possesses, due to the social role credit is playing in transactions and to the social nature of true credit which belongs to society, the state will have to issue itself new credits necessary to finance public capital.

Here are the general principles on which this new kind of financing is based:

1. Every issuance of credit will have to correspond to a new public production; secondly, this credit issue will also have to include an issuance of cash money equivalent to the average rate it gets within the money in circulation.

Since any issue of cash money or credit money will become the exclusive privilege of the Bank of Canada, it will be the role of the latter to finance, by means of new credits, any new capital relating to such department.

The Bank will also have to require, on a scientific basis, the repayment of the loans made, according to the depreciation of the services rendered and financed with those loans, and in accordance with the fiscal ability of the country.

On the other hand, since the objective of the economic and social system is to provide all and everyone with an adequate income to ensure an honest living and a vital minimum, and that precisely because of the relationship of its members, the financing of social security must also be ensured.

The financing of social security, and therefore of family allowances, education and old age pensions, must be directly provided by the department concerned, which will issue the necessary cheques on its account at the Bank of Canada, to the extent that the country is physically and socially able to meet the needs of those particular classes of the population, through the production of the goods which they need.

The only thing to remember is that the issue of credit is an entry in the books of the state in the credit column of one department or another inasmuch as that new monetary credit actually refers to the creation of real credit or new wealth.

To the extent that the necessary physical resources exist or are possible, through the existence of the natural resources, the manpower, the machines and the equipment suitable to develop them, the issue of new credit can be made in advance by the Bank of Canada.

Thus, it is not necessary to resort to taxation in order to pay higher family allowances. The Bank of Canada can create new credit on the basis of the existence of actual resources, or on the ability of the country to produce them.

• (5:10 p.m.)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I think that the democratic system is best suited for men, since it enables the representatives of the people to fulfill their role. Even parliamentary procedure has provided for special days, during the session, when the members of the opposition could further criticize the government on some particular points. Government members therefore will not be surprised when they hear members of the opposition attack certain government measures which do not seem to promote the development of the low income Canadian family. This provides also the opportunity for some suggestions which will help the government achieve the common objective of a just society. This is precisely the purpose of the motion now being debated.

What is most amazing in our Canadian tax structure is the fact that the family is always the first to foot the bill. The family, which is the basis of our society, does not get from the government all the attention which it deserves for its development in an atmosphere of financial security.

Use of Bank of Canada to Ease Tax Burden

Society is made up of small societies called "families" and, generally all well-informed people notice that our society is ill, that things are not quite right and that society is not just towards everyone. If society as a whole is ill, obviously, its component families are not in good health.

Let us take for example the personal income tax. Is it really reasonable for the government to grant only a $2,000 exemption to a married couple? With the present rise in the cost of living, the basic exemption should normally be raised to $5,000, to which would be added a $500 exemption per child. Thus many more families would be able to own a house.

Each man has a fundamental and natural right to own external possessions that are essential to his upkeep and normal development, such as a decent home for example.

Nature prescribes to the head of a family the sacred duty of providing his children with shelter and food, of looking after their future, of providing them with a heritage and with the education that will help them to protect themselves against the set-backs of life.

Man's right to own property was given him by his Creator at the moment of his birth and not by a human power of any kind. And to find the best proof of that, we need only look at a four or five month-old baby in his cradle. At the time I still had young children at home, I took pleasure in giving my child something which he would grasp as if saying: I own something. And whenever I tried to take away the thing I had given him, he clung to it in order to keep it; he would scream, cry and resist precisely because he felt dispossessed.

Mr. Speaker, this goes to prove that the state should endeavour to preserve such a right so as to allow for the greatest possible number of people to own something.

Yet, the mind of this child is still not much developed. Nevertheless, as I said, he is already endowed with an instinct of ownership. The family also is getting every day more dispossessed. Fewer and fewer heads of family are able to own their homes and to say at night when they return from work: there is no place like home. They can hear it on radio and television, but they cannot join in the chorus since a home is beyond their means due to a system which does not make ownership possible.

Families are less and less in a position to own anything that really belongs to them,

[Mr. Lambert (Bellechasse).]

which is the best insurance against communism. A property owner is much more willing to fight for his country in time of war. He feels genuinely proud and patriotic because he owns a small homeland which is part of the over all country and worth every sacrifice.

My own idea of a just society is that of a society that would operate like a normal family. Now, what is a normal family? And what does the family do for its members? Well, in a normal family where there are a number of children, the primary concern of the father and mother is to provide for the needs of the younger, the weaker of the family.

Let us have a look at the family table. The youngest, the weakest sits between his father and mother and they both see that he eats properly. They know that while the other children around the table eat more, they can manage and help themselves. If the little one had enough to eat, the others will have more, but they are not concerned as long as the baby can eat at its heart's content, they have done their duty.

The same applies in society. The state must show concern first of all for the weakest by guaranteeing the family, the human beings who compose it, their basic needs through a minimum income.

If we do not reach that decision, we will never stand up efficiently and maintain law and order, and peace in society against the onslaught of revolutionary forces.

Wordly goods are destined by Providence to guarantee individuals, families, what they need to develop normally through life, and to serve the commonwealth.

There are two ways in which the family head can obtain what is necessary to meet the needs of his family. First of all, through his own work which I favour personally as a man and as a responsible citizen. I use all my energy to stand up for the people because I consider that work is not a punishment but a blessing. One need only read the many letters received—I imagine the same goes for all hon. members—from people who are unemployed and who beg us to do something so that industries can develop in their area and they might have work and thus contribute through their work to the development of the country.

Now, if the first means is work, on the one hand this work should be remunerated fairly, and on the other hand the state should not

levy such taxes that the individual is left without enough income to discharge his family obligations.

Present day personal income tax is much too high; the basic exemption should be changed to guarantee a married couple a minimum tax free income of $5,000.

To the current price of building materials are added a federal tax of 11 per cent and a provincial tax of 8 per cent. How is it possible, then, for the small wage earner to have a house of his own? Furthermore, the government has allowed interest rates to increase, alleging as a pretext that lending institutions would not lend money at more reasonable rates of interest.

I blame the government for giving in to banking institutions. But in order to realize that those in control of money and credit are the masters of our lives one only has to look at the 1969-70 budget. It can be noted that the item relating to the public debt shows an increase of over 150 million dollars for servicing the public debt, to such an extent that we are paying $1,604,200,000 in interest alone.

The ordinary factory worker has a five-day week and is paid for 40 hours of work. However, those who are in a position to control money and credit and to draw interests are being paid, not for 40 hours of work but for 365 days a year and 24 hours a day. Mr. Speaker, therein lies the difference between consideration given to capital and labour.

Whenever big financial interests submit requests to the government, it cannot say no. But when requests come from the little man, such as workers or farmers, the government does not hesitate to refuse. This has been evidenced when some bills were considered by the house during the present session.

Therefore, I urge the government to seriously consider, without delay, a better distribution of personal and corporation income tax in order to be more equitable in this field. It is time families were ensured of an adequate income to enable them to obtain food and clothing, to have the necessary medical care and to receive education without having to depend always on welfare associations which are very costly for the community.

• (5:20 p.m.)

I will be told there are a great many pieces of legislation for the benefit of families and one of these deals with housing. I agree with that, but how could a worker whose income over $2,000 is subjected to taxes, and considering the 9 and 10 per cent interest rates, build his own home?

National production of a country is not aimed solely at increasing more and more the wealth of a few citizens, but rather at ensuring the well-being of its population as a whole. Society cannot call itself Christian if its working class is condemned to unemployment during periods of artificial economic crises or to a considerable decrease in income in case of illness or accident.

Society must try to provide its members with a sufficient income to meet the requirements of a decent standard of living. And it is at this point that comes into the picture the second means for giving some assistance to the head of family who has used up every other means to attain a decent life. The state must then fill the gap by drawing from the joint capital this citizen's work has built up, because he has a right, like everybody else, to benefit from it. The state must then make up the difference by insuring a supplementary income, since it is in a position to do so. And the best proof of it is that our granaries, our stores and our warehouses are overflowing with products.

So, Mr. Speaker, why take an antisocial attitude and deprive a portion of the population of things which are essential in life, at a time when there is such a high rate of unemployment.

What would you think of a father who would tell his children at the family table: Eat your soup and just one potato, nothing more, because, even if the cellar is jam-packed, we are faced with a technological problem: there is no staircase leading to it.

Mr. Speaker, more generous family allowances should be added to the income of the family head and this is possible thanks to the progress of science.

I would like hon. members to consider, as I do, what the Minister of Finance said in his budget speech on October 22, 1968.

If you consider tables 1 and 2, you will see that personal income tax in the financial year 1967-68 amounted to $3,650 million and that corporation income tax amounted to $1,821 million, that is $1,829 million less for corporations than for individuals. However, in 1968-69 the difference will be even greater, as personal income tax will give the federal government the fair amount of $4,190 million against $2,210 million from corporation income tax, or a gap of $1,980 million. Whereas

large corporations are less heavily taxed, the worker is treated less favourably as he is more taxed. That is, Mr. Speaker, what I wanted to point out to the government.

According to the Dominion Bureau of Statistics, in 1967, corporations would have benefited from a tax exemption on capital gains totalling $7 billions, under the heading "reinvestment and capitalization". I think it is unfair that a capitalization exemption should be granted to corporations and that a mechanic who is working in a garage, for instance, should not be able to benefit from a rebate on his equipment. Indeed, an individual who buys his own tools is never able to allow for his equipment in his expenses for that is not admitted by the legislation. He cannot capitalize, yet it would be an advantage for him to do so, the same as for corporations. If the individual were able to capitalize to get himself a home, that would be as logical and as profitable for the country, because if it is fair to give special treatment to corporations manufacturing material goods for people, it should be recognized that the family, on the other hand, provides the greatest resource of all, the human capital which makes the strength of the country. Indeed, if we take away our human capital, there is not much left. It is because of the vital role of our human capital, which comes from the family, that I urge that the sacred nature of the Canadian family be recognized and that the family be given the possibility to live a normal life.

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member but his time is over, and he cannot continue with his remarks unless he has unanimous consent. Does the house agree?

Some hon. Members: Agreed.

Mr. Lambert (Bellechasse): Thank you very much, Mr. Speaker. Your watch must be much faster than mine, presumably because you have time to check more closely on my speaking time, but I wish to thank all my colleagues anyway.

If I defend the case of the little man, it is because I myself belong to that class of people and I am here to speak on their behalf.

There is also the society of scholars, who are not very numerous but who get along very well. These are the specialists, the people with diplomas, the ministers, etc. ... They are not the least bit evil, however. They do not want the people to be unhappy and miserable, because they are not aware how much the people suffer and that the little man is not always treated fairly.

There is a wall in this parliament, and it does not exist because of differences between the parties, or in languages, but it stands between the learned men and the living men. There is a lack of communication between these two groups. We are not on the same wave length and cannot understand one another.

In this very rich country there is a large number of poor people, as the Economic Council of Canada report points out. I am not making up anything. In fact, those who say it are federal civil servants hired to study such problems.

Mr. Caouette: Scholars!

Mr. Lambert (Bellechasse): Exactly, scholars, as the hon. member from Témiscamingue says. From 1946 to 1966, Mr. Speaker, it was figured that in greater Montreal, the number of poor people had gone up by 6 per cent. In fact, they represented 27 per cent of the population in 1946 while in 1966 the figure has gone up to 33 per cent or 736,830 people. In the city of Montreal, 105,800 families, or 55.6 per cent of the population, live in poverty, and 1,062,200 persons earn less than $5,000 a year in the metropolitan area, where salaries are supposed to be the highest.

Am I not right then to claim a basic exemption of at least $5,000, since we find the same type of situation in this area as the one I have just described.

Moreover, 72.5 per cent of the million of workers I have just mentioned depend for their livelihood on finance companies. Some families have even raised up to 5 loans at interest rates varying from 24 to 50 per cent.

Some will tell me, Mr. Speaker, that even with a better government and in a more just society, there will always be less talented people, unable to manage their own affairs. I agree on that of course. However, what I fail to understand is that the number of poor people exceeds 50 per cent.

• (5:30 p.m.)

It looks as if the task of ministers and of learned people is to protect the wealthy and the educated.

It is high time, I think, to stop boasting of the advantages of our economic system. It

is a system effective in the field of production, but which has poor results in the field of distribution. It is unsatisfactory. Our economic system will be reformed by law-abiding people or else it will be destroyed by others.

We have witnessed bombings. Previously, when we read in the papers that such things happened elsewhere, in Mexico, in Spain, or in other countries who went through a revolution, our hair stood on end. However, the same thing is happening now in our own country, in our own province and people seem to accept it as a normal way of life.

Mr. Speaker, I believe that if we take the trouble to think things over a bit, to try and find solutions to these problems and to organize the economic life so as to allow people who still want to work in order to take care of themselves—and thank goodness, there are still a great many of them, even though if we like to say that those who receive social welfare benefits are not worth their salt—I still believe in this young society. And if we give this young society the opportunity to use its talents, it is still capable of putting it to work for the benefit of this country.

As a first phase, in drafting a solution, I would suggest we reduce the personal income tax and alter the corporation taxes to establish a better balance between taxes on revenue from labour and revenue from capital.

Secondly, in order to help the bread winners, whose dependents are 13 million Canadians without income,—that is the children, the sick, the disabled, the women who are not earning a wage but who stay home and are working nevertheless,—there is need to increase family allowances as the hon. member for Champlain (Mr. Matte) stated it and as the hon. member for Winnipeg North Centre (Mr. Knowles) was saying yesterday, to increase the old age pensions and those of other classes of citizens, without imposing any additional taxes.

That is the reason why we suggest that the government make use of the Bank of Canada to provide new credits based on the work and production of the Canadian people, on which there would be no need to pay interests, since they would be our own and would rest on a production effected by Canadians for Canadians.

Canada has a great deal of credit as an asset; the point is to socialize it in order to ensure every citizen his fair share of the national income. On this point, I call the attention of our hon. friends of the Progressive Conservative party, whose program, in 1958, aimed at establishing a just society that would ensure every person his fair share of the national income. The concept is still part of their program, although everyone's fair share of the national income is still a thing of the future.

However, we are giving them opportunities and means to achieve the goal through the establishment of a purchasing power equal to the needs of the community, and which should be readily avilable by way of a balanced discount and a national dividend, which was termed as communism in the past.

Today, people recognize that this is not communism. The system is logical. The dividend was advocated by major Douglas. The theory comes from England, but, nevertheless, it has its merits. Such ideas, no matter where they come from, provided they are worthwhile, should be implemented in such a way, Mr. Speaker, it will be easier to establish a just society.

[*English*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I will be very brief in making my few remarks. I think members on this side have touched on almost every aspect of Social Credit theory, but I should like to say a few words about the financial problems facing Canada at this moment.

We all know that our national debt is $23 billion and that the interest alone is $1,700 million annually. Let us stop for a moment and ask whether the taxpayers of this country can continue to go deeper in debt every year? I think our Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Benson) are both intelligent people, and I suppose they understand perfectly well the functions of the Bank of Canada. However, perhaps they are paid not to understand. Money was never made to control the nation and its people; it was created as the best medium for the exchange of goods and services.

Today we would all admit that money is, in effect, only a paper and ink or ledger credit. Some 95 per cent of all business transactions are transacted by the use of cheques. Let me give the Minister of Finance an example of this. Suppose that I owe five different companies $200. I go to my bank to borrow $1,000 and the manager or accountant agrees to lend me this amount. I sign a note with the bank. Then, without actually touching one single dollar from anybody's savings account, the accountant will give me a small bank book to

which $1,000 has been credited. As a result of this pen and ink credit entry, I am able to write five cheques for $200. The payees will deposit the cheques, then the bank will debit my account and credit the accounts of my creditors. It is very easy to understand our banking laws. Something is created which did not exist before by a simple stroke of the pen.

We all know that government money in Canada is short. If it is possible for the chartered banks to create this kind of "figure money", why does not the federal government use the Bank of Canada for governmental requirements, whether they be provincial, municipal or federal? The government of Canada should ascertain whether the Canadian people have sufficient products to maintain a high standard of living. If the government were to do this, I believe they would discover we have plenty of everything in Canada. The only thing we are short of is buying power.

We of the Social Credit really believe that the real wealth of the nation should be monetized in order to maintain a functional balance between actual production and consumption, to the direct benefit of all of the people of the nation. Some will ask how this can be done. It can be done by placing in the hands of consumers sufficient purchasing power to move that which is being produced into the hands of those who can and need to use it. This would not bring inflation. Inflation is the result of having more money in the hands of consumers than is necessary to purchase the total amount of goods produced. Likewise, a depression is the result of having more goods for sale than there is purchasing power among the consumers to purchase those goods.

• (5:40 p.m.)

It is obvious, Mr. Speaker, that Canadian citizens have a right to share in the wealth of Canada. If you receive a dividend from some company in which you have invested, no one will consider this a dole. Canada is one of the wealthiest of nations in natural resources. May I quote now from the official record of the Banking and Commerce Committee of parliament which sat in 1939. Mr. Graham Towers, governor of the Bank of Canada, was on the stand giving evidence. He was asked this question:

Would you admit that anything physically possible and desirable can be made financially possible?

Mr. Towers answered, as recorded at page 771 of the committee record for that year:

Certainly.

[Mr. Tétrault.]

A further important question was asked as recorded at page 394 of the committee record:

Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which Parliament can create itself back at interest to the point of national bankruptcy—

Mr. Towers answered in part as recorded at page 394 of the committee evidence:

Now, if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament.

In closing, Mr. Speaker, I wish to add this. He who does not love his brother whom he has seen cannot love God whom he has not seen. We have this commandment. He who loves God should also love his brother. Let us look forward to a better Canada for our Canadian citizens. We will all be proud to live in this country once we have established a better system where each individual will not be deprived of his share of the wealth of our nation.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in support of the notice of motion which the hon. member for Shefford (Mr. Rondeau) introduced in this house today I wish to draw the attention of the hon. members during the few minutes allotted to me on the housing problem which I consider, in agreement with the Hellyer's task force on housing and urban development as an urgent priority for the Canadian people.

I would qualify the present situation as disastrous and intolerable for the Canadian people with low or average annual income. I refer to those who earn $4,000, $5,000 or $6,000 per year. Indeed, during the past 30 years, the federal activity in the housing field has been steadily expanding, an expansion largely based on the needs of the moment, as the difficulties and pressures made it necessary. However, the work performed was negative and subjected to prohibitions, while the present situation does not require a partial, but a comprehensive, objective and imaginative plan, in order to really solve the problem. In short, it should not be a makeshift program which would only fill the gaps to make things look better and which would settle extreme cases to cope with stagnation; we need a program liable to improve as much as possible the standards set by the government, especially those of the Central Mortgage and Housing Corporation. In support of my statement, I refer to page 15 of the report

published in January last by the task force on housing and urban development and I quote:

> Within the more limited context of the housing supply, itself the Task force found ample evidence of imperfection within the existing market mechanism.

It is undeniable that as the result of the present housing policy the citizen whose annual income is below $6,000 per year cannot hope to carry out his dream of becoming owner of his home. That dream which in fact satisfies a universal need will only be a chimerical idea for the three following main reasons: the costs of land, and construction, the rates of financing.

Indeed, if we consider the first impediment, that is the cost of the land, we realize that it is too high, because there are very few places, like in Saskatoon, where serviced lots can be found for less than $3,500, according to the report of the Hellyer's task force on housing and urban development.

In addition, a survey of 26 major municipalities by the Canadian Federation of Mayors and Municipalities disclosed that, in almost 50 per cent of them, the average cost of a serviced residential lot was in excess of $8,000.

I will now deal with the second factor. The price of materials is excessive and the federal tax of 11 per 100, as well as the Ontario tax of 5 per cent and the Quebec tax of 8 per cent make any construction almost impossible. Because of direct and indirect taxes, construction costs reach astronomical figures.

I shall finally talk about the factor I find the most important. I mean the incentive loan, because the cost of money in the last few years resulted in a sharp increase in the interest rate. The Central Mortgage and Housing Corporation which comes under federal authority recently raised its interest rate to 9⅜ per cent, an all-time high, with the blessing of the government. Never have interest rates been so high in the field of residential construction. Early in January, when New York banks increased their interest rates to 7 per cent, everyone, Americans first of all, claimed it was robbery. Bankers were denounced as swindlers and profiters.

How could we today prevent finance, trust and insurance companies, and banks from establishing any interest rate on the first mortgage of a house, seeing that an organization responsible to government has raised its own.

As a result, thanks to the Central Mortgage and Housing Corporation, people must pay for five or six houses to get only one. That system is not consistent with progress, considering the present prosperity in our country.

Mr. Speaker, the Canadian citizen who longs to own his home is pursuing a dream that will never come true because of the system.

For example, 60 per cent of Quebec families live in extreme poverty, with an annual revenue of less than $5,000. Also, out of 6 million residents in Quebec, there are 160,000 unemployed, a record in developed countries.

In the Eastern Townships, 81 per cent of those employed earn less than $4,000 a year. Between 4 and 5 per cent of that population or more than 10,000 people live on welfare. There are also 2,000 families who must pay for health care, education, recreation, shelter, heating and other expenses out of weekly wages of $35 or $40. The unemployment rate is 8.4 per cent of the population, that is 6,000 or 7,000 Canadian citizens in the Eastern Townships are out of work. I do not speak for nothing today, if I can draw the attention of the government to the sad situation in the Eastern Townships which, in my opinion should be a designated area.

The alternative is plain: either people live in 500,000 houses officially termed "inadequate" and commonly called "slums", or they get at the top of a long waiting list to obtain "public housing", one of those 40,000 units or so in Canada built and financed by the government.

The task force on housing and urban development adds and I quote:

> With the possible exception of the "sweat equity" co-operative housing program in eastern Nova Scotia, the Task Force could find no effective or organized system in Canada whereby lower-income families could aspire to home-ownership.

This problem does not confront only the lowest income groups but also the "average" wage earners within the $4,000 and $8,000 a year range.

In fact, the general level of the cost of living and the price of single-family dwellings being what they are, the dream of many of these Canadians is just that—a dream. Their dwelling is costing them well beyond the 27 per cent of income the CMHC handbook says is acceptable for a family budget.

Mr. Speaker, the sharp rise of interest rates registered during these last 30 months represents the factor which has contributed the most to increasing the price of private property beyond the means of most Canadians.

Use of Bank of Canada to Ease Tax Burden

In view of the interest rate now in force, an $18,000 house, including the price of the house and land, costs its owner from $52,000 to $53,000. After 40 years, the same $18,000 loan granted by the CMHC at 9⅜ per cent, as recommended by the Hellyer task force, would cost about $75,000. Is not such a house paid for six times over? Moreover, according to the figures available to me, a $20,000 house, that is a five-room brick dwelling panelled in wood on a piece of land worth $2,500 would cost $58,000 after 25 years and $84,000 after 40 years. Is not that robbery, if you will pardon the expression?

Some hon. Members: Hear, hear.

• (5:50 p.m.)

Mr. Beaudoin: The report of the task force on housing and urban development recommends that, and I quote:

The federal government should seek to encourage and co-ordinate the efforts of private lending institutions to meet the vast majority of Canada's residential mortgage requirements by setting annual targets, by canvassing these lenders twice annually—

Can you picture the white-collar gang on the construction sites?

—to ensure that their investment intentions are adequate to meet these goals, and by paying particular attention to the needs of the various regions of Canada a special effort should be made to enlist the increasing participation of Canada's rapidly growing pension funds in the field of residential mortgage financing.

Mr. Speaker, can you see people using the pension benefits they managed to pile up to support a system which I submit is crazy? Is it not a public scandal? Could we endorse such a recommendation and thus let the people that we represent be exploited, as has been the case in recent years, by private lending institutions, in particular insurance and trust companies? I suggest the government is shirking its responsibilities towards the people by tolerating such a situation and by forcing people to pay for their properties five or six times what they are worth when applications for loans are directed to those institutions.

Mr. Speaker, I maintain that the present system offers no solution and I repeat what we, of the Ralliement Créditiste, have always advocated, namely that the Central Housing and Mortgage Corporation could atone for its past by using the services of the Bank of Canada or other similar institutions to lend money at interest rates covering only administrative costs to those who want to build a home. To that end, it would be necessary to create new bank credits making up capital designed for the social welfare of the country which would not come from the private sector which forces the borrowers to repay two, three, four and even five times the amount of the loan.

To illustrate this procedure of the social credit system, one can look at the banks when they decide to put up a building. We could proceed like they do in the private sector to see what would happen.

Banks start by opening themselves credit in a current account; they thus give themselves some credit and they do not charge any interest on it. It is an entry costing only the ink used to make it. Then it is decided to build new premises. And the construction is started no matter the cost since only the capital is repaid. Once the construction of the building that will house the offices of the bank is completed, space is rented at a monthly or yearly rate. After 30 years, the credit has been paid back. It is surprising to see that the procedure works well for banks, but not for individuals. That is something that I find myself unable to fathom.

So Social Credit creates to destroy credit which, while it lasts, plays the part of real money, that is the part now played by the banks, according to the powers granted to them.

Thus, the bank would loan the funds required to purchase the land and to build, in accordance with accepted standards. After an examination of the reimbursement possibilities of the family or of the new owner who is to purchase the said building, the bank would set the monthly payment to be made. Such loans would bear interest at a very low rate, just enough to cover the risk of nonpayment and administrative costs. These monthly payments could be spread over a period of 20, 30 or 40 years, depending on the quality of the materials and on the reimbursement capacity and, as a general rule, this monthly rent could be set at 20 per cent of the owner's income.

This system would allow thousands of families who are now tenants to become homeowners and thus become a stabilizing factor in our society, while creating sources of income for the municipality where this house would be built—

Mr. Speaker, may I call it six o'clock?

[*English*]

BUSINESS OF THE HOUSE

Mr. Bell: Is the government house leader in a position to state the business for the remainder of this week and next week?

Mr. Macdonald (Rosedale): I can announce it for the next two days. It will be our proposal to return tomorrow to the government reorganization bill and deal with all those parts that have not been dealt with, with the exception of the part relating to regional economic expansion. It is assumed we might be able to finish with those other parts by tomorrow's adjournment. On Thursday, we hope to deal with the question of regional economic expansion and carry the bill through to conclusion.

Notice will be given this evening of a bill proposing to amend the Maritime Freight Rates Act. We will seek the unanimous consent of the house to abridge the period of 48 hours so that the bill may be given first reading tomorrow. We hope it will be given quick passage on Thursday, in view of the general interest in having that bill being carried into law.

The business for Friday will be as announced last Thursday. We will start with the superannuation bill, which I understand will be returned tomorrow from the Standing Committee on Finance, Trade and Economic Affairs. The second item of business will be Bill S-15 with respect to the Food and Drugs Act. The third item would be the bill to amend the Financial Administration Act. On Thursday, I will make an announcement for the coming week after we have had an opportunity for certain consultations.

• (6:00 p.m.)

Mr. Bell: May I just ask the minister if he can be certain the evidence on the superannuation bill will be ready for Friday?

Mr. Macdonald (Rosedale): My understanding is that it will be, but of course the calling of the bill on Friday would be subject to the evidence being available. I think it will be available tomorrow or the next day.

Mr. Knowles (Winnipeg North Centre): The committee proceedings on this bill were completed this morning, so it should be possible to have the evidence available.

The Acting Speaker (Mr. Béchard): It being six o'clock I do now leave the chair, to resume the same at eight o'clock this evening.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58 (4) (a)—UTILIZATION OF BANK OF CANADA TO ALLEVIATE TAX BURDEN

The house resumed consideration of the motion of Mr. Rondeau.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, before six o'clock I was indicating how this government could implement a program if it wished and I was encouraging it to do so.

Many wonder where to get this money? It would come out not from personal taxes but from the secret reserves of public or private corporations.

It would all take place without any increase in prices, costs, on either personal or corporation incomes but simply by taking out of the reserves the amounts required not considered as taxable gains. Let these amounts come from companies, banks or any other kind of institutions, private or public.

In this way, these families will live in homes really belonging to them, and enjoy a healthy comfort and a freedom which would enable them to better provide for the maintenance and education of the children.

It should be noted that this system is not as farfetched as one is enclined to believe, because the task force on housing and urban development mentions it in one of its recommendations in his report of January 1969, as follows:

> In existing circumstances, it can provide a valuable source of liquidity for present lenders and for other investors seeking to acquire mortgage holdings.

These are not my words; they are recommandations of the Hellyer task force.

> Therefore, the task force recommends that serious consideration be given to the establishment of a Central Mortgage Bank to provide additional liquidity for existing lending operations and as a necessary prerequisite to the creation of new mortgage institutions.

Would that task force become creditist in order to really alleviate this situation as it says so well.

I continue:

The need to act while reasonable action is still possible. Many Canadians, whose needs are of yesterday's, want adequate housing today and not tomorrow.

However, my criticisms concerning the present policies are not confined only to the economic aspect of the issue but to the aspect which to me is most important, since it relates to the moral, psychological and sociological allied problems.

Mr. Speaker, instead of always thinking in terms of getting richer at the expenses of the small wage earners, why would the government not give them a chance to contribute to the development of the country and therefore to that of the family, that cornerstone of society?

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the members of the Ralliement Créditiste were given the opportunity, through the hon. member for Shefford (Mr. Rondeau), seconded by the hon. member for Champlain (Mr. Matte), to introduce a motion blaming the government for its inefficiency, its failure to take a stand about the use of the Bank of Canada for the purpose of alleviating the taxation burden which weighs upon Canadian taxpayers at every level of public administration.

Of course, Mr. Speaker, some Liberal, Progressive Conservative or New Democratic party members do not accept our motion. But we don't know why.

The hon. member for Bellechasse (Mr. Lambert) explained the reason rather clearly this afternoon. We live in a world of living people while some live in a world of scholars. The latter believe they know but as a matter of fact they know nothing. They assume they know and understand everything, except the financial question.

Members from all sides of the house talk about improving the situation of farmers. We understand we must improve our production and take the necessary steps to increase it. Everybody understands that. The Prime Minister (Mr. Trudeau), the ministers, the Leader of the Opposition (Mr. Stanfield) as well as the leader of the New Democratic party (Mr. Douglas) understand that. All members understand, even if they have never seen a carrot grow, that we must improve the agricultural system and help the farmers.

In the labour field, it is the same thing.

[Mr. Beaudoin.]

The Minister of Labour (Mr. Mackasey) clamours that relations between employers and workers must be improved.

As concerns the health field and the field of justice, we must improve conditions and legislation.

As far as industry and commerce are concerned, especially as regards foreign trade, everybody understands that we must take the necessary steps to bring about needed improvements. Nevertheless as soon as we talk about the financial system everybody stands gaping. They have no more the right to understand or to speak, they merely have the right to look at themselves and play the fools. That is all that happens. Nobody has enough courage to speak against finance.

Today, the hon. member for Edmonton West (Hon. Mr. Lambert), another bright scholar, was telling us that using the Bank of Canada could lead to all kinds of misuse, that it could grant illimited and unconsiderate credit, which would be a threat to the health of our economy. What does the member for Edmonton West know about the subject? The reason why, he says, the government of Alberta did not apply for those loans was because the municipalities had done so. Does he really believe Alberta is the only place where such things happen?

Just have a look at the City of Montreal and see what is going on there. Officials there go, crawling on their knees, to France, to Belgium, and to the United States, begging for loans. We are able to make anything here in Canada but when it comes to money matters, we fall on our knees, in front of the United States. Have you ever seen the United States borrow from anybody? Not I. But everybody borrows from them: the Canadian government, the municipalities and the provinces.

We borrow on behalf of Hydro-Quebec, we borrow on behalf of Hydro Ontario, and to meet the needs of Canada. We beg for American patronage. We do not even have the stamina to start working in order to improve the financial conditions prevailing in our country however much we realize the importance of improving every field of administration or every federal department.

Mr. Speaker, people understand everything except finance. The Creditist motion is not seconded, save by my 13 colleagues.

The representative of the NDP said that he did not share our opinions. So did a Progressive Conservative member.

When the Minister of Finance (Mr. Benson) takes the floor he will say that he does not share our opinions. We are aware of that fact. Some Liberals sometimes wonder where are the economists in the ranks of the Creditists? Well, we simply do not need them.

The Liberals, since they came into power, are like puppets in the hands of the economists. You can see the results across Canada. Unemployment is growing, nobody feels safe; everybody is afraid.

Our high school and university students wonder whether they will be able to find a job, once their studies are completed. They will not, in spite of the fact that we have capable economists and scientists to inform and advise the government.

Before this government took office, the Conservatives were in power. An hon. member said that under the Progressive-Conservatives things were running smoothly. Still, in 1961 and 1962, for the first time in the history of Canada, we had a million unemployed. What did they do from the financial point of view? No better than the Liberals.

On the other hand, what does the New Democratic party suggest? Take away from the rich to give to the poor, and therefore have more poor. You cannot take away from the rich to give to the poor. So, instead of improving living conditions, you will lower them in an attempt to fatten a certain group. This cannot be done.

Mr. Speaker, the problem in Canada is not a lack of programs; everyone creates programs for the government. It costs hundreds of millions of dollars a year to pay the program "makers", and the results are always the same.

• (8:10 p.m.)

The present Prime Minister wrote in 1963 that the Liberals were "idiots". He was right, Mr. Speaker.

An hon. Member: He certainly was.

Mr. Caouette: So the Prime Minister took over the leadership of the "idiots" in Canada, that is why today he no longer speaks of finance as he did in 1943, 1944 and 1945. Not only has the bottom been reached, but the bottom of idiocy.

Mr. Speaker, the Créditistes put the finger on the sore spot, on the source of unrest in Canada. We are not worried about wealth, about natural resources to develop; everyone knows they exist. The problem is a financial one, a matter of knowing how to finance the development of our natural resources. That is the question. It is a monetary one and the only one we cannot tackle. Why not? We are not the first to accuse those who control money and credit. Others have spoken about them before us.

I have here a document from which I shall quote. It has to do with the Rothschild Brothers of London who wrote, without any qualms whatever:

[*English*]

The few who can understand the system (check money and credits) will either be so interested in its profits, or so dependent on its figures, that there will be no opposition from that class, while on the other hand, the great body of the people mentally incapable of comprehending the tremendous advantage that capital derives from the system, will bear its burden without complaint, and perhaps without even suspecting that the system is inimical to their interests.

[*Translation*]

They knew what they were writing about when they said the system will be interesting to one group because of its profits and that the others will depend so much on this system that they will be unable to offer any opposition.

Mr. Speaker, electoral funds replenished by people such as the Rothschild brothers have governments of their own choice elected. These governments then become mere puppets in the hands of those people. I will quote what Meyer Arsene Rothschild said, in days gone by:

[*English*]

Permit me to issue and control the money of a nation, and I care not who makes its laws—

[*Translation*]

The Minister of Finance is laughing because he read about that. He understands the situation and that these people—

[*English*]

Mr. Benson: On a point of privilege, Mr. Speaker, I was not laughing, I was just smiling because I enjoy hearing my friend speak in English so effectively.

Mr. Caouette: It is very kind of the hon. minister to say that I am talking well in English, and I hope that the Leader of the Opposition (Mr. Stanfield) enjoyed this at the same time.

Use of Bank of Canada to Ease Tax Burden

[*Translation*]

Mr. Speaker, such statements were not made by members of the Railliement Créditiste; those are financiers who are condemning themselves or who, at least are showing off their power and the control they exercise in the United States or in Canada. It is known that in Canada, slush funds depend on large corporations. After election time, governments naturally feel obligated. Ministers, prime minister and leaders of the opposition are not being transported from one ocean to the other free, gratis and for nothing, just to get a government elected. No sir! In fact, after the elections are over, lobbying begins. Whether the Administration is blue or red—the only kinds we have had since Confederation—it has to bow to pressure groups.

Mr. Speaker, others claim they are not Creditistes, as it were, but they condemn the financial system because, I shall say it again, it is the root of all evil.

I see that my hon. friend from Lévis (Mr. Guay) does not seem to agree. In his own riding, the problem is not to build ships in Lauzon, but rather to obtain money to build them, as it is a matter of funds shortage—

Mr. Guay (Lévis): What are we going to do with the ships?

Mr. Caouette: Put them in your own backyard with the backward people.

Mr. Speaker, what is to be done with the ships, they ask. There is a shortage of them right now on the Pacific coast for shipping wheat to the Chinese, to help the nice little Chinese. Mr. Speaker, at one time we used to buy the Chinese in Canada. Now we go and feed them in their own country. Things have changed. Here is what Abraham Lincoln said and I quote:

• (8:20 p.m.)

[*English*]

The money power preys upon the nation in times of peace and conspires against it in times of adversity. It is more despotic than monarchy, more insolvent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes.

[*Translation*]

It is a fact. That is what happens when we speak of Social Credit. I know something about it, for I have been speaking of it for 30 years. Some of my colleagues have been doing so for the same length of time, yet as soon as someone speaks of Social Credit, reporters are heard to say it is a money printing machine or funny money. Why do they say that? Abraham Lincoln gives us the explanation. It is because that power conspires against the public, against the nation in times of adversity.

Mr. Speaker, we speak of Social Credit and monetary reform not in order to glut the world with money, but to put money at the service of the individual, rather than the individual at the service of money, in short, to make money available when we want to use it for the benefit of the people.

We have highways, hospitals, schools to build and all kinds of things to do. If those things are not done, it is due to a lack of money. There are numerous unemployed who ask only for work, but money is short. Then they are paid retraining courses and have to take courses in the 8th, 9th, 10th and 11th forms. They become educated unemployed. They are more educated; that is the only difference. The government does not suggest any solution. When we propose the monetary reform and the use of the Bank of Canada, the government laughs at us.

Mr. Speaker, a former American president, James A. Garfield, said the following:

[*English*]

Whoever controls the volume of money in any country is absolute master of all industry and commerce.

[*Translation*]

Let us do that right here.

The prime minister, who is a very intelligent man—and everybody agrees with that—comes and tells us that money does not grow on trees. An hon. member finds that very funny; it is his leader who talks like that. If his leader tells him that money does not grow on trees, he will repeat it. As if we did not know. Where does it grow then? Nobody tells us. Could the hon. minister of Finance, who will speak after a while, tell us where money grows, so that we will know? But we know and we speak up. It is a matter of technology, as my hon. friend from Bellechasse was saying; technology prevents us from knowing where money grows. However, we know that it grows when there is a war and that it "ungrows" when there is peace. That much we know. When there is a war, there is no monetary problem. Surely not. There is no question of shrinking the big ones to make the small ones bigger. Did you

ever hear a minister of Finance say: "Our tanks are too big, let us make them smaller to make our rifles a little bigger". Never! They keep on making rifles and tanks as big as possible, and that is the end of it.

In Canada, in the economic field, they say: "We should make the big ones smaller so that the small ones will grow bigger". We tried that and the result was the present stagnation at all levels of government. Let us take a look at the premier of Ontario who, since he introduced his recent budget, is scratching his head, does not know where to go, and then comes to Ottawa, claiming that he should get a bigger slice of the tax basis. Quebec does the same thing, as well as the Maritimes, and the Prairies. Everybody says there is no money. The Minister of Finance of Canada, the Prime Minister and the government answer: "Money does not grow on trees."

Another individual, Henry Ford, who may not have been an economist or a reputed professional, but who nevertheless knew about these things from experience, said:

[*English*]

Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp: it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it.

So said Henry Ford.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Benson: Mr. Speaker, this is really too good to stop. We on this side will be very pleased to have the hon. member continue.

[*Translation*]

Mr. Caouette: Mr. Speaker, I thank my hon. friends for their courtesy. I notice the Minister of Finance is particularly moved by the examples I am giving him now and by the statements made by people who held prominent positions in their lifetime.

Therefore I thank the Minister of Finance for his good words and I shall endeavour to inform him as best I can, so that he will be able to tell us tonight that he does intend to direct the Bank of Canada to serve the interests of the Canadian economy and to enable Canadians to benefit once for all from the tremendous wealth in our country.

A few minutes ago, I saw my friend, the Minister of Agriculture (Mr. Olson) and the Minister of Finance who were smiling. As to the Minister of Agriculture, he knows what I am talking about, because he has already made in this house statements which in every respect were similar to the one we are making today. I am convinced that behind the curtains, he is saying to the Minister of Finance: "Caouette is right, what he says is right." I am convinced of it.

Mr. Speaker, the member for Winnipeg-North-Center himself has just said that I am right. One would not expect that from a socialist member. The socialists themselves acknowledge that we are right.

Mr. Speaker, someone else who was not necessarily a Créditist, the ex-king of England, Edouard VIII said:

• (8:30 p.m.)

[*English*]

There is no scarcity of commodities. It is I think at the consuming and distribution end, that failure has occurred and it is useless to produce goods, that cannot be sold.

[*Translation*]

That is the situation. Let us go and visit seriously our Canadian industry, our wholesalers and retailers, let us go around any city, town, or village anywhere in Canada and we will realize how tremendous is the production of goods and services in Canada.

We received by mail, bulky catalogues from the T. Eaton Company, Simpsons-Sears Limited, Opera Diamond, from another wholesale company in Winnipeg. There are as many products as we may want; there is plenty of everything.

An hon. Member: The Hudson's Bay Company.

Mr. Caouette: The Hudson's Bay? The Hudson's Bay Company.

We have oodles of everything. There is no production problem here. When I hear a minister say that we have able planners, economists, sociologists, I wonder if the government needs such sociologists and economists instead of psychiatrists to find out what those people are really thinking about.

Mr. Speaker, production exists, and it can be multiplied almost indefinitely in Canada.

Farmers are complaining that their products are not being sold, and industries that their warehouses are overflowing. Therefore, they must lay off some people and let them go to work somewhere else after 15, 20, 25 years of faithful services. They are laid off under the pretext that we have overproduction. That is the situation. There is overproduction. Sales are made everywhere. Let us go to Ottawa, to Hull, at Freiman's or Simpsons-Sears, everywhere there are special sales. No sooner have we received a catalogue for one season than the next one advertising sales is delivered to our home.

Production exists, but unfortunately consumers do not have the purchasing power.

The government lacks the money to develop our natural resources and create new industries. Our country must constantly go and beg financial authority abroad to develop something that belongs to us, with our own materiel means. That is what we cannot accept.

That is why I told the Progressive Conservative government in 1962: A system that keeps financing production in Canada cannot be tolerated any longer, because there is no shortage of production. Instead of financing production, let us finance consumption, so that consumption can finance production. That would be logical.

In that respect, some have said that we are promising unattainable things. I told the government: Do make an experiment. Some joint experiments were made; nuclear tests, tests of weapons, aircraft, in short, in every possible field, except the financial one. They did not dare. I have suggested such a thing in the past, together with my colleagues of the Ralliement Créditiste. I shouted my suggestion all over, on television, on radio, at meetings: Do make some experiments. I do not believe that they should be started afresh every month, but let us try.

If the government and the Minister of Finance decided to distribute a $100 national dividend to every Canadian citizen tomorrow morning, it would be a $100 experiment. Not of $100 per month, but of $100 all at once, and they could check the consequences of the results. A family of ten would get $1,000, a family of five, $500, a family of two, $200, and an individual $100. That would amount to $2,100,000,000, hardly half a billion more than what is spent at the present time for national defence. This money would be in the consumer's hands. A poor family of 10 in Quebec would receive $1,000. A family of five in Montreal would get $500. This purchasing power, Mr. Speaker, would enable people to buy clothes, food and requisites. What would this create? It would create demand; stores would be emptied. They would get new stocks through orders placed with industries. Men would be re-employed. This would reduce unemployment. Canadians by the thousands would obtain employment and our economy, thanks to consumers, would undergo a new expansion. This is most logical. Let us try it and if it proves unsuccessful nothing prevents us from putting an end to it. Nothing prevents us from withdrawing from circulation the two billions if it encourages laziness or causes people to lose their soul. Nothing could prevent us from doing that. However, if the experience is successful I am already sure that it is the only solution which will bring about the recovery of Canadian economy. Instead of remunerating "programmers" as I stated earlier, let us give consumers a chance to purchase products made for them and Canadian producers will then be able to sell their goods.

Mr. Speaker, this national dividend of $100 would not create inflation. The interest required by the financial system is now creating inflation.

The hon. member for Bellechasse stated this afternoon that our workers are paid for 40 hours of work a week and that on the other side, the financial system, while being idle, is paid 365 days a year and 24 hours a day. It is true. However, nobody speaks about it. In all the government departments, all kinds of things are discussed, except the interest on the national debt. Everybody keeps quiet on that subject.

Mr. Speaker, I have here an article written by an American banker, Mr. Robert Hamphill, who said, and I quote:

[*English*]

Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic credit, we are prosperous; if not, we starve. We are absolutely without a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible; but there it is. The banking problem is the most important problem intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon.

[*Translation*]

An American banker said that. Moreover, Mr. Woodrow Wilson, the former American president, stated and I quote:

[*English*]

A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated Governments in the world—no longer a Government of free opinion, no longer a Government by conviction and vote of the majority, but a Government by the opinion and duress of small groups of dominant men.

• (8:40 p.m.)

[*Translation*]

Woodrow Wilson said that:

[*English*]

The great monopoly in this country is the monopoly of big credits. A great industrial nation is controlled by its system of credit. The growth of the nation, therefore, and all our activities are in the hands of a few men who chill and check and destroy genuine economic freedom.

We have been dreading all along the time when the combined power of high finance would be greater than the power of the government.

[*Translation*]

A president of the United States said that; he was in office and had no intention of going against the power of the few men who control money and credit.

Mr. Speaker, I have often quoted in the house His Holiness Pope Pius XI who said:

[*English*]

The quotation is from those "In the Know".

The power of concentrated economic domination becomes particularly irresistible when exercised by those, who, because they hold and control money, are able to govern credit and determine its allotment. For that reason, by supplying and controlling the lifeblood of the entire economic body, and grasping as if it were in their hands, they control the very soul of production so that no one dares breathe against their will.

Pope Pius XI

[*Translation*]

Mr. Speaker, those are statements from people who are not known as Créditistes, but who know where the difficulties and the uneasiness lie and have the courage to throw light on them, as my colleagues of the Ralliement Créditiste and myself are doing, inside as well as outside the house.

I have often said outside the house that the businessmen, workers, farmers we meet listen to us because they want to understand, whereas here we are talking to people who are paid not to understand. It is different, but at least we succeed in reaching the people who are more and more aware of the importance of a monetary reform.

Mr. Speaker, I say we should seriously consider the financial crisis that confront us. The provinces are doing everything they can to solve it and the municipalities suffer greatly from it.

Mr. Speaker, if we gave serious consideration to our financial difficulties and if we took steps to solve them, Canada would be in a less confused state. We would not see any of those linguistic wrangles, of those petty quarrels where it is argued that the central government spends more money for eastern Canada than for western Canada or vice versa. We would not assist to any bombings as in Montreal or in other municipalities. We would not assist to that display of hatred which is increasing in Canada.

Mr. Speaker, we would achieve a true national unity in Canada by making available to Canadians a logical monetary system which would enable every citizen to be himself. The system is to be blamed for all our disputes. Worry is what pushes people to look for any reason to stir up strife. This is all the more astonishing as there are in Canada French-speaking and English-speaking Canadians and that the provincial premiers and Canada's Prime Minister met in Ottawa recently on the occasion of a federal-provincial conference.

On the first day, everybody was talking about the linguistic matter and they did not quite succeed in understanding each other. The English provinces do not want to acknowledge the French fact. There are some people in the province of Quebec who refuse to acknowledge the English fact, and everybody is at sixes and sevens.

On the second day, Mr. Speaker, all the people were talking the same language, that of money, since nobody had any. Only one language was spoken at that time, because it was realized that the monetary system was not French, English, Ukrainian, Japanese, Chinese, or Russian. The monetary system is in the hands of a few people who do not give a damn either for the Liberal party or the Progressive Conservative party, but who dread the thought of the Créditistes gaining ground in Canada for example. They are scared to death of the monetary reform we favour which would deprive them of their

control over the economy and the life of the Canadian people. While we in the house are striving to maintain national unity the system endeavours to destroy it. The financial system thrusts one against the other. Its principle is to interfere in order to reign. While we are fighting in English and French, the financial system takes from both the English and the French. That is what they find profitable.

Some hon. Members: Hear, hear.

Mr. Caouette: The financial system, the monetary system has no party affiliation, but it has puppets in Parliament, people who will bring up, in the house, all sorts of problems, that are not really problems, but on which we waste our time for weeks and months. We discussed the Canadian flag for six months. What has that changed in the financial system? Nothing at all.

The financial system controls the provinces, the municipalities and the federal government. When we ask, for example, that the Bank of Canada be used for interest-free loans to the provinces and to the municipalities, that raises a hue and a cry. It is considered unorthodox to lend money, to vote the necessary funds for the development of the provinces. Because of this they are compelled to borrow at outrageous rates abroad.

Mr. Speaker, the provinces and the municipalities are compelled to beg from the financiers and yet, as can be seen from a statement made by the former Secretary of State for External Affairs, Mr. Paul Martin, that I have on hand, during a lecture he gave at Columbia University in New York on April 28, 1967, as part of the Jacob Blaustein Lectures. He said that the conditions of Canadian aid to developing countries have always been relatively favourable. At the beginning, most of our aid was in the form of gifts, and it still represents an important part of our expenditures.

• (8:50 p.m.)

When the level of aid was upped, and when it was decided to offer aid in the form of loans, conditions were set on the basis of those which would be offered by the association for international development, that is to say, no interest was charged. Moreover, ten years of grace are granted and the repayment will be spread over a period of 40 years.

Last year, even the service charges of ¾ per cent were abolished. However we realized that certain developing countries were in a position to obtain loans at conditions a little more burdensome, and to satisfy that particular need, we granted a loan at an interest rate of 3 per cent, with seven years of grace and falling due in 30 years.

Mr. Speaker, will anyone have me believe that here, in Canada, in Prince Edward Island, for instance, and in the Maritimes in general there is not distress almost as terrible as that in the underdeveloped countries or elsewhere? The same situation prevails here in Canada. We do not ask for miracles. We do not ask the government to stop giving aid to those countries in need of it. Not at all. But we ask the government to offer the same services at the same conditions to our provinces and our municipalities.

We ask the government to see to it that money is at the service of the human being, of the provinces, of the Canadians, instead of being the master as is the case nowadays.

The financial difficulties facing the Minister of Finance, the Prime Minister and the government could be overcome provided enough courage could be mustered to do so.

As far as the Ralilement Créditiste is concerned, we will continue to fight for monetary reform, not because we want to steal from anyone but because we want to have the greatest number of people to own something in Canada. We really want to insure for all security and freedom. This will be possible in as much as Canada has an adequate monetary system.

Since Liberal and Conservative governments found billions of dollars to win wars, there is no valid reason in the world why billions of dollars cannot also be found for peace, harmony and understanding in Canada.

The people are willing to get to work in order to build and develop the country. It is up to the government to take up the challenge and to put finance at the service of Canadians so that they can share in the wealth of their own country.

Mr. Roland Godin (Portneuf): Mr. Speaker, since I was first elected a member of this house, in the fall of 1965, I have been greatly impressed by the numerous publications which are made available to us by different government services.

Among those documents, there is one published every year which I consider the most valuable of all, and that is the *Canada Year*

Book because that publication agrees with all the proponents of the monetary reform advocated by the Ralliement Créditiste. It agrees with them in this sense that it reveals the true wealth of our country, such as our exports.

Proportionately to our population, Canada is already the fourth largest exporting country in the world. In fact, on this same basis, our exports last year were twice as high as those of the United States.

Mr. Speaker, in this country to which nature has been very kind, we do our best to administer our own business. In the field of public administration we have chosen experienced people. In the provinces, the members are not appointed; they are legally elected. This situation prevails, at the municipal level, for the choice of our mayors and aldermen.

In our school board, the chairman and the members were chosen. They were all elected by the population because the latter recognized them as men of merit and sound judgment.

To-day, we realize that the majority of those directors, while they are serving their fellow-citizens, are anxiety-ridden. The soundest minds become dizzy. The school boards wonder how they can possibly pay their teachers.

The mayor of the city of Montreal, supposedly a man of experience, recently had to make a closed retreat to find out his true vocation.

On the other hand, the mayor of the city of Quebec is wondering whether he will be able to pay for the sidewalks that were built under his predecessor's administration.

And the confessions made in private by some representatives of the province of Quebec would surprise many people, were they made public. Now, those representatives face some problems at the present time not because the Union Nationale party is in office but for entirely different reasons.

In New Brunswick the prime minister, though a member of the Liberal party, also finds himself in an impasse, as stated in the newspaper *L'Action* on February 4, 1969, and I quote:

In his ninth year as premier, Louis Robichaud, now aged 43, is trying to find a way out of this financial impasse which forced his Liberal government to reduce its capital expenses, increase taxes and forget the federal-provincial medicare program for the time being.

—New Brunswick is not the only province to experience financial problems.

However, that is the way people comfort themselves, Mr. Chairman. Things go wrong, but the victims are not alone, for it is the same everywhere. So the same system goes on and on.

The Minister of Finance for New Brunswick stated last spring that the debt had doubled these last two years and was totalling $273,900,000.

I quote another extract of that article:

In a small province with a population of 624,000 souls, the debt amounts approximately to $441 per capita and it cramps the style of the Minister of Finance on the bond market—

Last March, Mr. Des Brisay presented a budget based on

The financial situation of the province and of the country—

He quoted the high cost of loans as well as the rise in debt—

Mr. Speaker, we remember the statement of Mr. Paul O. Trépanier, mayor of Granby, (P.Q.) a well known member of the conservative party. In a rhetorical outburst he stated that most of the municipalities were on the brink of bankruptcy.

In an article published recently in L'Action of March 1, 1969, here is what Mr. Clarence White wrote:

Our tax-payers have reached the extreme limit on what is feasible and there could be no question of adding to their tax burden, be it an election year or not. Thus spoke yesterday Mayor Gilles Lamontagne when the budget was presented to the City Council.

Quebec has four or five very difficult years ahead if the provincial government does not come to the rescue of its capital city. Quebec cannot get out of its deficit alone and without the help of the government.

Mr. Speaker, in the educational field, difficulties are just as serious. I quote from La Presse of January 29 an article signed by Mr. Roger Champoux.

—ages ago, the province of Quebec reached the limit in the matter of income and property taxes. In addition, the government is unable to draw from other items of the estimates the necessary amounts to comply with the demands of teachers. Education is essential, but there are also roads, health, industry and a thousand other urgent needs.

And Roger Champoux adds further on:

Every time the teachers have submitted reasonable representations, we supported them. When woman teachers were less paid than their colleagues, we denounced that stupid condition. When country people paid less than city people, we decided that a reform was essential. When there was some of talk of granting to the teacher the

high prestige to which he is entitled, we went along with that claim related to the respect due to the human being.

But this time, it is impossible to ask the taxpayer what he is unable to give.

Property owners are hard pressed, tenants have created a league which will make a row, big trade and industry are constantly protesting against tax increases—all those taxes which knock them left and right—in short, there is no more room and nothing goes.

Mr. Speaker, we are living in a rich country and if we consider that in 1944, national production amounted only to $11,400 million and reached $68 billion in 1968, it means that national production has increased six-fold. Faced with so much wealth, our industrialist are not the only ones to be concerned, because all classes of society are also worried. People are realizing that they are missing something.

Farmers, who were long considered to be kings of the earth, wonder today how much longer they will be able to continue their payments to the Farm Credit Corporation.

Workers wonder how their employer will be able to keep them on the payroll, because to hire labour, one must have a business, an undertaking which is reasonably prosperous. At present businesses are not only in difficulty, but they are going bankrupt, and I quote an article published in Le Devoir of March 14, 1969:

More bankruptcies in January last... The number of bankruptcies sharply increased in January to 176 or more than in any preceding month since March 1968, report Dun and Bradstreet.

—not only did they increase in number in January, but the liabilities also rose to $12.6 million compared to $7.0 million in December.

Retail trade, construction and services were mostly affected by the greater number of bankruptcies between December and January and in comparison with a year earlier.

Total liabilities in the month of January increased.

The article goes on to say:

For retail trade and construction, it was a ten-month record, while the number for services tripled compared to December and reached a 15-month peak.

• (9:00 p.m.)

Mr. Speaker, in matters of bankruptcies, we are now using sport terminology. In *Le Devoir* of Friday, March 4, it is said that the record number of bankruptcies in January was a record.

Mr. Speaker, everybody knows that fewer employers mean more unemployed. In Quebec alone, compared with the last two years, the number of people on welfare has increased by 40 per cent, and as a result of unemployment, the housing problem is getting more serious. Not only a tenant cannot choose his apartment because his income is insufficient, but even the owner is forced to sell against his will. In this connection, I shall quote an article published in *La Presse* on March 6, 1969 under the signature of Mr. Félix Corriveau, of Montréal. He said:

Anyone going through the streets of Montreal looking for a family dwelling finds nothing but signs reading: House for Sale. Events speak for themselves. The true problem lies with the owner.

The owner is alone responsible for everything: he has to pay the municipal school tax, to put up the money, to pay his mortgage insurance, to look after his house, his lot—

If this costs a lot from the city hall's viewpoint, this is true also for the small owner.

As far as one-family dwelling owners are concerned, it is even worse; they are being penalized because they do not have any tenant; their property is assessed at its full value; they alone have to foot the bill. Most of them finally have to sell their houses for less than the assessed price or the cost of tearing it down. The law gives you no alternative: you must pay or quit. No need to be jealous of that man since he lives in a "taxed jail" even though he had a higher ideal.

Mr. Speaker, whether they are owners or tenants, fathers and mothers alike are worried about what will be left to their children.

The young people attending school are concerned because they wonder what society will be able to offer them this spring. Once again they will be leaving our schools and joining the ranks of the unemployed. We are retraining the workers by giving them allowances, but in those hard times we are experiencing now, what will become of the young people already well-trained? For how long yet will the young people be able to remain honest?

In order to appease the French Canadian people and keep them quiet, in Quebec some glib talkers have been hired to warn them that they are simply being robbed by the English people. All they have to do is to secede from the English.

In order to quiet down the English-speaking people from Quebec, the Minister of Labour (Mr. Mackasey) was saying on Wednesday, January 29, that the uncertainty that loomed over Quebec's economy, was really due to the Union nationale and the Quebec Liberals. Therefore, all that is needed is a change of party, a new group of responsible people and the English-speaking people will be patient. For them and for the other races scattered all

over the country, will commission reports which will remain on the shelves always be enough? I doubt it. Without any discrimination based on race, religion or age, from birth to death, the presence of a thief in the home has always left us uncertain. And if today the Canadian people suffer from economic uncertainty, it is because on March 21, 1967, the Canadian government opened the door to thieves, when it passed Bill C-222 which removed the ceiling on interest rates charged by banks, allowing them to manipulate the interest rates on their loans. When we know that the banks have the power to multiply 14 times the deposits of the citizens, we should not be surprised at their achievements at the expense of society.

From 1944 to 1967, the assets of the eight chartered banks was multiplied by five and during that same period, the dividends paid by those same banks rose from 6 per cent to 30 per cent. But that was only peanuts, Mr. Chairman, compared to what is happening now. Therefore I wish to associate myself with the words of the parliamentary reporter for *Le Soleil,* Mr. Amédée Gaudrault. In one of his articles published in *Le Soleil* on December 11, 1968, he wrote:

> The banks' fiscal year ends on October 31 and since the last revision of the Bank Act came into force on May 1, 1967, it is only in 1968 that we could understand fully the effects of such a legislation on the Canadian economy. It is a remarkable and indisputable fact that the banks' business has made a tremendous leap. The assets of seven great Canadian chartered banks has shown a 16 per cent increase in recent years.

Mr. Amédée Gaudreault also wrote:

> As for profits, they have increased by an average of 37 per cent in the case of the 7 great banks of this country, the Royal Bank leading them all with a 48 per cent rise. Banks' revenues increased by 29.3 per cent—

Therefore, Mr. Speaker, we find a 16 per cent increase in assets, a 37 per cent increase in profits and a 29 per cent increase in revenues. Those figures are taken from the report on banks and were prepared by a Liberal supporter. I hope he speaks the truth and did not add anything. Such profits, such increases do not make sense to me and here again this is just a start for we must remember that last year banks were still working by themselves and since the beginning of the new session, they can expect real profits as a great number of federal public servants are now on loan to assist them in the collection.

Let me remind you that during this session we passed Bill C-110, where we can find in section 1(a), and I quote:

Use of Bank of Canada to Ease Tax Burden

> (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.

A little later, Bill C-151; an Act to amend the Fisheries Improvement Loans Act was passed.

Here again, Mr. Speaker, I spare the house the details. The bill was intended to remove the 5 per cent ceiling. Then came bill C-152; "an Act to amend the Veterans' Land Act" The explanatory notes read as follows:

> The purpose of this bill is to remove the present 5 per cent fixed rate of interest set out in the Act that relates to sales, loans or advances made in respect to veterans in the Act. And to authorize the governor in council to establish the applicable rate or rates of interest—

The National Law on Housing, allows the government to set the rates of interest every three months. It is the same with the Farm Credit Corporation, the government sets it every three months, at the banks' will. Bill C-110 enabled the government to remove the ceiling and with Bills C-151 and C-152, the government managed to remove two more.

Mr. Speaker, each time this government, with its clean shaven leaders, has passed a bill which will blast a category of Canadian citizens, the bearded chaps in Montreal have managed to lure the public opinion by blasting a little bomb. I realize now it was team work well worth being noted.

In the past, businessmen were supposed to do their dealings in the dark. Today, they are exposed to a glaring light. The Farm Credit Corporation, and the SCHL have become collection agencies, searching the pockets of the workers, of the farmers, for the wee bit they need to make a living and sentencing them, by virtue of law, to a long, slow death.

To my mind, royal enquiries and retraining are and will remain useless surveys and expenditures as long as the Canadian government remains in the service of financiers. The people have already had to pay the piper, and the financiers relied for a long time on the complicity of the information media to make the people accept the idea that the monetary system works against them.

Fortunately, banking operations are being brought to light. It is not necessary to have worn out one's breeches in schools of high learning to understand that the system whereby we exist by going further into debt is as stupid as it is unjust. We do not need transfusions of borrowed blood; we need new, debt-free blood.

Use of Bank of Canada to Ease Tax Burden

• (9:10 p.m.)

The Canadian people have contributed enough, I think, to produce high financiers. It is high time the government assumed its responsibilities and offered the people who live in this young and growing country of Canada the advantages it offers to underdeveloped countries of the world which could teach us a lot from many points of view.

Niger for instance. I see here, in the Minutes and proceedings of the standing committee on external affairs and national defence for the sitting held on Wednesday, January 31, 1968, that we have helped Niger:

We know that Niger receives aid from our government.

Mr. Speaker, Niger can teach us first of all how to go about with ships; because Niger is a small and poor country which the rich country of Canada helps. Yet Niger has a merchant marine and its ships navigate in our Vancouver and St. Lawrence River waters. The come for the goods we have given them or they can buy with the credits we have offered them. Now, if new credits are allotted for the sale of wheat—

The Acting Speaker (Mr. Richard): Order. The time allotted the hon. member has expired

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, perhaps I should interject briefly at this point. First of all, I would like to correct a statement I made in the house this afternoon when the hon. member for Edmonton West (Mr. Lambert) was speaking. He indicated that he believed the Canada Savings Bond issue had raised only $70 million in new money. I said, "Surely, you mean $700 million"? I now have the figures from the Bank of Canada. The net increase through the issue of the Canada Savings Bonds in November was $871 million, and the redemptions since that time have been $217 million, leaving a net cash position at this time of $654 million. That is net new cash out of the Canada Savings Bond issue of last November after taking account of all redemptions which are moving at a relatively normal level.

The main argument that the members of the Creditiste party have been putting forward is that in Canada the money supply is not great enough. First of all, I would like to indicate to the leader of the Creditiste party, and indeed to all hon. members of the house, that the Bank of Canada is at the service of the people of Canada. It is the duty of the Bank of Canada to look after the money supply in Canada, and the monetary policy. Indeed, it is the responsibility of the Governor of the Bank to look after this particular task. It is a very difficult and important task in Canada, and I would like to say that we are fortunate in Canada in having Mr. Rasminsky as head of the Bank of Canada, a man who is one of the ablest central bankers in the whole world.

Some hon. Members: Hear, hear.

Mr. Benson: The task of monetary policy, along with fiscal and other economic policies, is to seek to maintain a financial environment that facilitates the maximum sustainable growth of the economy. It is through the achievement of this objective that the greatest sustained flow of real resources becomes available to assist in the solution of specific economic and social problems, such as the problem of poverty.

In the course of providing an adequate monetary base for sustained economic growth, the Bank of Canada adds appreciably to its holdings of Government of Canada securities each year. As at March 12, 1969, the bank held a total of $3.8 billion of Government of Canada securities. Virtually all of the interest on these securities comes back to the government since the profits of the bank are, under the Bank of Canada Act, paid to the government. If the bank bought government securities on a greater scale than was necessary for sound monetary growth this would only add to inflationary pressures in the Canadian economy. Inflation worsens the position of the poor, particularly the older people on fixed incomes. The failure of monetary policy to resist inflation would jeopardize the sustained growth of the economy and would undermine the confidence of foreign investors in our capacity to manage our affairs. On both counts there would be a smaller volume of real resources available to Canadians and their governments to deal with our economic and social problems.

Here, I would like to agree with something that the Leader of the Opposition (Mr. Stanfield) said in a speech a week or ten days ago—and it is very unusual for me to agree with him—that inflation is really one of the greatest problems we have in Canada. The reason we have high interest rates in Canada, indeed the reason interest rates throughout the world are very high, is the expectation of people that inflation will continue.

I should point out that the prime bank rate in the United States was raised to 7½ per

cent this week, which is the highest it has been in history, and the Euro-dollar rate is 8½ per cent. Interest rates throughout the world are climbing and the reason is that people believe inflation is going to continue.

We in Canada, through the Governor and the Bank of Canada on the one hand, and through the government's fiscal and expenditure policies on the other, are trying to do what we can to control inflation in this country. I should point out that last year we were the third best in the world in this regard, after Germany and The Netherlands. But this is still not good enough. We in Canada, and indeed all western countries, must combat inflation and all of us as citizens, including members of the Creditiste party, must remember that we cannot take more out of the economy through increased benefits to ourselves than results from increased productivity in the country or else inflation is going to continue. This is what the Leader of the Opposition and I have been preaching in this regard.

The consequences of an unsound inflationary monetary policy would therefore be not only to thrust further burdens upon the poor and create even more severe problems of equity, but by undermining real economic growth it would reduce total and average incomes of all Canadians, and increase their tax burden.

Several other points were raised during the course of the debate and perhaps I should deal with a few of them. There was some mention with respect to contributions to the provinces. Indeed, the proposition in the motion was that the Bank of Canada buy up provincial and municipal debentures, presumably by printing more money because that is the only source of funds they have. I think a better solution to this is for the federal government to stay out of the financial markets as much as possible and thus make room for the available limited resources to move to the provinces and municipalities. Indeed that is what we are trying to do. In fact, that has been our aim for some time and continues to be our aim.

• (9:20 p.m.)

However, I should point out that the federal government has made and continues to make substantial contributions to the provinces in order to lighten the fiscal burden on their taxpayers and on municipal taxpayers. It is estimated that in 1968-69 the value of the federal contributions to the provinces, under conditional and unconditional transfer programs, will total some $2.8 billion. That is close to 30 per cent of provincial expenditures in Canada. Furthermore, over the years the federal government has vacated certain tax fields, principally the personal and corporate income tax fields and the estate tax fields, to permit the provinces to raise their taxes without, if they wish, imposing an extra burden on the taxpayers. It is estimated the provinces will raise an estimated $1.8 billion in 1968-69 through federal tax abatements to them.

Mr. Speaker, I have here, if hon. members wish to have them printed in *Hansard*, tables indicating the amounts of federal contributions by provinces and by program for the years 1967-68 and 1968-69.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The table referred to follows.*]

FEDERAL AND PROVINCIAL FISCAL DATA

ESTIMATED 1968-69

A. *Value of Federal Contributions to Provinces under Conditional and Unconditional Transfer Programs*		$ 2.8 billion
Provincial Net General Expenditures	$8,724 million(1)	
Add: Estimated Federal Conditional Grants	1,259 million	
B. Approximate Provincial Total Expenditures		$10.0 billion
Percentage A of B = 28%		
C. Estimated 1968-69 value of General Tax Abatements		$ 1.8 billion

i.e.—Federal tax reductions (made over period of several years) concomitant with provincial increases.

(1) D.B.S. Weekly Bulletin Cat. No. 11-002, Friday, December 13, 1968.

December 18, 1968

29180—430½

[Mr. Deputy Speaker.]

FISCAL YEAR 1968-69

SELECTED FEDERAL CONTRIBUTIONS TO THE PROVINCES AND CERTAIN PROVINCIAL INSTITUTIONS UNDER MAJOR TRANSFER PROGRAMS

Estimated ($000's)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
I. *Unconditional Transfers*											
Statutory Subsidies	9,656	657	2,132	1,745	4,023	4,624	2,137	2,151	2,955	1,672	31,752(1)
Share of Income Tax on Certain Utilities	851	150	1,438	77	1,527	3,575	626	25	6,548	383	15,200
Equalization(2)	69,170	13,885	78,250	71,142	277,256	—	38,111	18,391	—	—	366,205
TOTAL	78,677	15,692	81,820	72,964	282,806	8,199	40,874	20,567	9,503	2,055	613,157
II. *Conditional Transfers*											
A. Shared-Cost Programs in the Field of Social Policy											
Canada Assistance Plan (including categorical welfare programs)(3)	22,082	2,389	13,654	10,347	148,460(4)	117,943	16,582	15,557	26,986	38,395	412,700(5)
Hospital Insurance	20,400	3,700	28,300	22,200	233,732(4)	286,200	34,800	35,500	59,200	68,200	793,732(6)
Health Resources Fund	854	188	1,309	1,068	10,009	12,052	1,667	1,654	2,533	3,244	37,540(7)
General Health Grants	1,059	379	1,440	1,218	10,318(4)	11,655	1,767	1,748	2,617	3,320	39,733(8)
Medical Care	—	—	—	—	—	—	—	12,000	—	23,000	35,000
SUB-TOTAL	44,395	6,656	44,703	34,833	402,519	427,850	54,816	66,459	91,336	136,159	1,318,705
B. Shared-Cost Programs in the Field of Technical and Vocational Training											
Capital Assistance	2,102	821	9,114	8,543	50,532	—	10,461	9,350	115	9,391	100,684(9)
SUB-TOTAL	2,102	821	9,114	8,543	50,532	—	10,461	9,350	115	9,391	100.684(9)
C. Shared-Cost Programs in the Field of Economic Policy											
ARDA	The estimate for the Atlantic Region is $4,000				4,079	3,642	The estimate for the Western Region is $6,277				18,000
FRED	140	700	140	4,620	500	—	3,500	—	—	—	9,600
Trans-Canada Highway	An up-to-date provincial breakdown is not available										45,212
SUB-TOTAL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72,812
TOTAL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,492,201

III. *Other Transfers*

Post-secondary education final transfer[10]	9,398	2,049	21,674	11,634	133,146	226,603	22,033	24,006	51,709	44,742	547,264
TOTAL	9,398	2,049	21,674	11,634	133,416	226,603	22,033	24,006	51,709	44,742	597,264
GRAND TOTAL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,652,622

(1) Based on Revised Estimates for 1968–69.

(2) Equalization attributable to post-secondary fiscal transfer is excluded.

(3) Old Age Assistance, Blind Persons' Allowances, Disabled Persons' Allowances, and Unemployment Assistance.

(4) Denotes programs where "contracting out" occurs in whole or in part. For purposes of comparison, the whole federal contribution is shown although it may take the form of a tax abatement, tax equalization, and an adjustment payment.

(5) Includes $305(000) for Yukon and Northwest Territories.

(6) Includes $1,500(000) for the Yukon and Northwest Territories.

(7) The total figure includes $75(000) for the Yukon and Northwest Territories as well as $2,888(000) to be allocated to the Atlantic Provinces together. This amount is not included in the provincial breakdown.

(8) Includes $4,993(000) not allocated to specific provinces, as well as $153(000) for the Yukon and Northwest Territories. Excludes an estimated amount of $933(000) required for commitments to fall due during the current fiscal year.

(9) Includes $256(000) for the Yukon and Northwest Territories as well as an amount of approximately $20,684(000) originally allocated to other Adult Occupational Training programs (Revised Estimates for 1968–69, votes 5 and 10) but later transferred to Capital Assistance programs. The provincial breakdown is also on this basis.

(10) Includes tax abatement, associated equalization, and cash adjustment payments. Both the total and estimates for individual provinces are based on Department of Finance estimates of the value of the tax transfer and associated equalization together with forecasts of cash adjustment payments made by the Secretary of State Department.

NOTE: All figures may not add up exactly to totals due to rounding off. Also, as noted above, totals may include figures for the Yukon and Northwest Territories and various amounts which cannot be broken down by province.

Use of Bank of Canada to Ease Tax Burden

Mr. Benson: I should like to speak briefly on the problem of equity in taxation and the ability to pay principal. The federal government does try to see that the total federal tax burden is distributed fairly in accordance with the principle of the ability of individuals and corporations in our country to pay.

Because of its basic tax exemptions, $1,000 for a single taxpayer, $2,000 for a married taxpayer, $300 for dependant children eligible for family allowances and $550 for other dependants, and its graduated rates, the personal income tax is one of the main tools used by the government to redistribute income and promote a more equitable allocation of the national wealth.

Indeed I am hopeful that by June we will be able to produce a white paper and table it in the house for the examination of the members of the house and the people of the country which will lead to an even more equitable tax system in our country but an equitable tax system that does not stop the growth which is essential to the economy of the country.

The report of the Royal Commission on Taxation, in analysing the incidence of the federal tax structure, stated that it was slightly regressive in the very low brackets of income and progressive beyond. It gave much credit for the over-all progressive slant of the system in the personal income tax which it describes as progressive throughout the entire income range. Here, I would refer to the report of the Royal Commission on Taxation, volume 2, page 245.

The present structure of the federal tax, even including the Social Development Tax, is progressive. I should like to refer to the table which I indicated in my October 22 budget speech shows the amount and the per cent of income paid in the current fiscal year in terms of federal basic tax, both before and after the inclusion of the Social Development Tax for various income classes. The illustration is for a married taxpayer with two dependant children eligible for family allowances. With the permission of the house I would also like to have this printed in *Hansard.*

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The table referred to follows*]

[Mr. Deputy Speaker.]

Married Taxpayer—two children eligible for Family Allowance

Income	Present Tax	Social Development Tax	%	Total	%
$ 3,500	$ 102	$ 16	0.5	$ 118	3.4
4,000	184	26	0.7	210	5.3
4,500	275	36	0.8	311	6.9
5,000	376	46	0.9	422	8.4
6,000	597	66	1.1	663	11.0
7,000	842	86	1.2	928	13.3
8,000	1,109	106	1.3	1,215	15.2
10,000	1,644	120	1.2	1,764	17.6
15,000	3,294	120	0.8	3,414	22.8
25,000	7,790	120	0.5	7,910	31.6

This taxpayer pays no income tax if his income does not exceed $2700. At $3000, his tax is equal to only 1.5% of his income. At $5000, his tax equals 8.4% of his income. At $7500, his tax grows to 14.2% of his income. At $10,000, it attains 17.6% of his income. Beyond $10,000 his tax rises sharply and at $25,000, it accounts for 31.6% of his income. This establishes quite clearly that the personal income is very progressive in this country and that it does play a significant role as an income redistributor.

Mr. Benson: I should now like to say a few words about government programs which assist the poor and uphold the elements of a just and humane society which we, as a government, believe in and in which I think everybody in this House of Commons believes. Anyone who analyses and understands the whole complex of federal programs will be struck by the range and diversity of expenditures which have as their prime objective easing the burden of the poor and establishing a more just and humane society in Canada. We, as a government, do not take credit for all of them but I should like to say a few words about them. Indeed, if one includes Old Age Security Pensions and the guaranteed income supplement it can be said that well over 50 per cent of total federal expenditures of some $13 billion goes for programs of human and social betterment in our country. Basically, these social development measures have a twofold purpose: First, to effect a redistribution of income as between regions and individuals, for example from the high income regions and individuals to the lower income regions and individuals; second, to attack poverty directly or via joint federal-provincial actions.

Let me enumerate some of these measures. First of all we have assistance to the aged. A great deal of effort has been made to improve the Canadian old age income maintenance system in recent years, such as through the introduction of the Canada Pension Plan and the Canada Assistance Plan. The basic old age

security pension is now adjusted automatically in accordance with a pension index and the minimum eligible age has been lowered from age 70 in 1965 to age 65 by next January 1. Guaranteed income supplements give additional income support to low income recipients of the basic old age security benefits. By way of illustration of the funds involved, it can be noted that outlays under the old age security, including the Guaranteed Income Supplement Act, totalled $927 million in 1965-66 and are projected to total over $1.7 billion in 1969-70. This is one place the funds we are spending are going.

Through the Canada Assistance Plan, the federal government helps the provinces extend public assistance to all needy persons on the basis of their individual needs. These needs are determined by an evaluation of budgetary requirements as well as income and resources. The program permits the extension of federal sharing into a number of areas not previously covered under federal-provincial shared-cost arrangements, and provides for federal sharing of certain increased provincial costs caused by the extension of welfare services. It specifically allows for sharing of the costs of extending provincial welfare services to Indians on reserves.

Let us move from there to health measures. The two main programs here are hospital insurance and medical care insurance. The first program permits the federal government to assist the provinces in paying for public hospital insurance programs which extend coverage for specified hospital care and diagnostic services to some 99 per cent of the population of Canada. The federal government pays 50 per cent of the shareable cost for all Canada in such a way that low income provinces get more than 50 per cent of their cost from the federal government.

The medical care program permits the federal government to assist in the financing of provincially administered medical insurance plans which include all physicians services, provide universal coverage, and are portable between participating provinces. The federal contribution to each province is also calculated in a way that favours the lower income regions of our country.

Now, let us move on to education matters which really are a provincial responsibility. The post secondary education fiscal transfer program assists the provinces in meeting the costs of post secondary education, including university, other higher education and training and grade 13 in the province of Ontario, through a transfer of fiscal resources related to eligible post secondary operating expenditures in each province. In 1968-69, the estimated value of the total transfer of fiscal resources is $502 million, of which $224 million is in the form of cash payments to the provinces.

To assist Canadians in meeting the challenges of a rapidly changing and developing economy, and to increase the productivity and economic well-being of the labour force, the federal government, under the occupational training of adults program, assumes the full costs of training eligible adults and also pays training allowances to adult trainees. In 1968-69, $114 million has been provided for training allowances and $81 million for the purchase of courses from the provinces. The federal government provides grants to individuals to assist them in finding new employment if there is no prospect of employment in an individual's home community. Grants are also provided to help meet the costs of moving and resettlement. Six million dollars has been provided in the 1968-69 estimates for this program.

• (9:30 p.m.)

Perhaps I should say a word about regional development. The new Department of Regional Economic Expansion will be contributing a great deal toward the alleviation of poverty in those parts of the country in which the level and rate of economic development are below an acceptable standard. Already the federal government has made contributions in these areas through ARDA, the agricultural and Rural Development Act; ADA, the Area Development Agency; A.D.B., the Atlantic Development Board, and other similar programs and agencies.

For example, under the Fund for Rural Economic Development, a program to assist in the implementation of social and economic development programs in specially selected rural areas where low incomes are widespread and where there is potential for development, the federal government has entered into an agreement with the Province of Quebec covering the Gaspé peninsula and Magdalene Islands. The agreement provides for a five year program of rural re-adaptation and development which is expected to cost in excess of $250 million, with the federal share estimated at $212 million.

Our social and economic development programs for Indians and Eskimos have as their objective the improvement of the levels of living and the widening of opportunities for

this particular group of citizens so that they will be more able to enter into the main streams of Canadian economic, social and cultural life. Our programs in this area, including provision for health, welfare, education and development services are growing rapidly and are estimated to cost over $225 million in 1969-70.

The federal government provides a wide range of subsidies which assist in the development of natural resources and facilitate the growth of primary industries.

In the field of fisheries there are subsidies for the construction of fishing vessels, assistance in constructing and equipping facilities for the storage of frozen fishery products, and many other programs, such as the recently announced program to assist the groundfish industry.

The Department of Agriculture has many programs of assistance, such as the agricultural prices support programs, the Crop Insurance Act, the Farm Improvement Loans Act, Prairie Farm Assistance Act, storage payments on wheat, and so forth. Transfer payments for 1968-69 under the Department of Agriculture are estimated at approximately $160 million.

In closing, I should like to again reiterate that the economy must continue to grow and prosper if we are to make real progress in any war on poverty and establish a better country for all Canadians, which I am sure is the aim of all of us. Income redistribution programs and direct attacks on poverty are important, but underlying them there must be high employment and economic growth and the broad levers of fiscal and monetary policy must first be engaged in steering our economy along the path of strong and stable growth, and you don't do this by simply printing money.

In their first review the Economic Council affirmed this basic position. They declared that:

> Social progress obviously required balanced development in a number of fields, including social security, education and worker training, health services and standards, housing, and cultural and recreational opportunities—
>
> We would therefore argue that the most important contribution which can be made to future improvement in social welfare will be successful attainment of our basic economic and social objectives, including the goals of high employment, rapid productivity growth and reasonable stability of prices.

This is one of the main problems we have in this country.

[Mr. Benson.]

This concept of a proper blend of social and economic measures, which is the mainspring of the government policies at present, was emphasized again by the Economic Council in their fifth annual review. The council recognized that Canada already had in operation an impressive inventory of social and anti-poverty legislation, but it enumerated some principles which should guide future federal action.

Let me quote again. At the top of the list, the council notes at page 131:

> The maintenance of high employment and strong and stable economic growth is crucial. No policies are more effective in helping to move families and individuals out of poverty than the combination of demand and supply policies required to sustain new job creation and the increasingly efficient use of manpower, capital and other productive resources. Without success on this front, other anti-poverty policies are unlikely to be of much avail.

I think this conclusion is absolutely valid, and bears repeating, even if it should be self-evident. Here, as elsewhere, the council makes clear the proper role of the sound and responsible fiscal and monetary policies which the government is pledged to follow, if the larger objectives of social progress are to be achieved.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I did not intend to take part in this discussion, but I could not possibly sit idle and allow the things the Minister of Finance (Mr. Benson) has said this evening to pass. I agree with him, of course, about the importance of the adequate rate of growth associated with a reasonable degree of price stability and employment. I agree also that there is no simple or easy way to achieve this.

On the other hand, I cannot agree with him when he suggests that the government has been carrying out a vigourous policy in this direction. I do not wish to take up the time of the house to go over the history of achievements of ministers of finance under this government during the past years. Let me simply remind the house that it took this government some eight or nine months to produce a white paper on the subject of inflation, which I am sure a group of officials could have put together in the course of a few days.

It has been conceded in this white paper that the tools employed by the government to provide inflationary controls and a reasonable degree of employment have been the wrong ones. There can be no question about this. It is stated also there has been, on the part of

this government and its predecessor, a tendency to appoint a continuing royal commission plus a committee of the house to study this matter. This is hardly a proud achievement for a government which, with its predecessor, has been in office for some five or six years. It should have had this problem under greater control. It should also have taken concrete measures by this time to—

Mr. Benson: Do you have any suggestions?

Mr. Stanfield: Yes, I have suggestions. The difficulty is that the suggestions I have been making for the past year have not really been listened to by the Minister of Finance (Mr. Benson).

It really took the resolution by an hon. member of the Creditiste party to give me the opportunity to speak to the minister in the house. I do not want to use too much of the time of the house, but I cannot allow some of the things said by the minister to pass by without comment.

The record of the government in respect of growth and inflation during the past few years has been poor. Indeed, the former Prime Minister, Mr. Pearson, stated this quite clearly in the house. The white paper suggests that the policies of the government have been failures, and the government has not produced any appropriate answers.

• (9:40 p.m.)

Second, when the Minister of Finance speaks about fairness in taxation, assistance to the provinces, and so on, I would point out that the minister has refused rather bluntly to co-operate with the provinces in financial matters. He has refused, not once but several times. There can be no question about this; it is a matter of record.

Mr. Benson: It is opinion.

Mr. Stanfield: It is not a matter of opinion. When I hear "No" I recognize it as "No". When it is stated, as the Minister of Finance is in the habit of stating it in response to the requests of the provinces for consultation, I understand what he means, as they understand what he means. Surely, Mr. Speaker, this government has been raising taxes on the relatively poor in the country, not only by its 2 per cent social development tax but by the continuation of inflation. By permitting this situation to continue, the government has automatically increased the burden on the poor people of the country.

I raise these points because the attitude of the Minister of Finance seemed to be a little too pious in this regard. I recognize that he faces difficulties. However, we must recognize that continued inflation to the extent that we have experienced it automatically lowers the real value of tax exemptions, and therefore automatically increases the burden of taxation on the relatively poor people of this country.

When the Minister of Finance quoted from the fifth annual review of the Economic Council of Canada in relation to the war on poverty, and so on, he was very selective in his quotations. That report is really a very damning indictment of this government for the abandonment of its war on poverty. It issues a challenge to the government of Canada to get together with the provinces and really start to combat poverty in Canada in an effective way. I do not think the Minister of Finance should get away with referring to the parts of the report that suit him. As I say, this report is in fact a damning indictment of the abandonment by the government of its war on poverty.

The minister speaks about the new Department of Economic Expansion. I think it is proper to point out that it has taken the government eight months or so to even get this legislation before the house. If this is an indication of the sincerity and determination of the government with respect to the question of regional development, I do not think we should expect too much. It has taken eight months simply to get the bill before the house and create the new department. Lord knows how long it will take to get the new department in operation. Much of what the minister said with regard to transfer payments and health and welfare payments I had the pleasure of listening to yesterday. This is one advantage of being allowed in the house every day.

Some hon. Members: Hear, hear.

Mr. Stanfield: I heard the Minister of National Health and Welfare (Mr. Munro) recite most of these figures about welfare payments, and so on, yesterday and they are now well drilled in my mind. But let me point out that when the Minister of Finance and the Minister of National Health and Welfare talk about the annual adjustment in relation to the cost of living, as was pointed out by many members in the house yesterday—I say this only because the Minister of Finance was not in the house yesterday and perhaps no one has brought it to his attention—

Mr. Benson: I have read *Hansard.*

Use of Bank of Canada to Ease Tax Burden

Mr. Stanfield: —it is a very pitiful thing. I refer to the adjustment that is made each year in respect of the cost of living. It is a maximum of 2 per cent on the basic pension of $75 a month. I want to make sure that the Minister of Finance understands this. It is difficult for me to believe he does understand it, when he rises in the house and boasts about the kind of program the government has in operation.

Without taking more of the time of the house, Mr. Speaker, I simply wish to emphasize that the government has failed in its program with regard to stability and growth. It has damned itself in its own white paper in this regard. Second, the government has been damned by the Economic Council of Canada for abandoning its war against poverty. Surely, without going any further—

Mr. Knowles (Winnipeg North Centre): Just leave it at that.

Mr. Stanfield: Perhaps I should be content to just leave it at that and say that it is a little discouraging, having been in the house even for the short time that I have been here, to see the continued short fall in economic growth in the country, the continued excessive inflation in the country, the continued lack of any effective war against poverty in the country. Yet, the Minister of Finance and other ministers of the government stand up day after day and pat themselves on the back. It is just a little discouraging, Mr. Speaker.

Mr. Benson: Mr. Speaker, I wonder whether the hon. member would permit a question. He said very early in his speech that he was going to give me some suggestions as to how to control inflation, how to better look after the Canadian economy, how to get more money to transfer to the provinces, but he has not done this. I wonder if he would send me his suggestions.

Mr. Ricard: He told you that you never paid any attention to his suggestions.

Mr. Deputy Speaker: Order, please.

Mr. Stanfield: I would think that a man as interested as the Minister of Finance in mastering these problems would take the trouble to read my modest dissertations on this subject. I would be very happy to send him one of my latest and most comprehensive dissertations in this respect.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, in accordance with standing order 6(5) (a), I should like to move, seconded by the hon. member for Compton (Mr. Latulippe), that the present debate on the motion of the hon. member for Shefford (Mr. Rondeau) about the business of supply, be extended until 11 o'clock in order to enable as many members as possible to participate in the discussion as there are still seven members of our party who would like to speak and who are ready to do so.

[*English*]

Mr. Speaker: Have hon. members any comments to make in connection with this motion? Those who object or are opposed to the motion will please rise.

And more than ten members having risen:

Mr. Speaker: More than ten members having risen, I declare the motion dropped.

Mr. Ricard: Closure.

[*Translation*]

Mr. Speaker: The hon. member has now participated in the debate. Unless the house agrees, I must now recognize another member. On the other hand, if the hon. members do not object, the hon. member could now proceed with his speech, but he must admit that he has already participated in the debate. At any rate, I think there is agreement among the hon. members to have the hon. member for Lotbinière (Mr. Fortin) proceed.

Mr. Fortin: I wish to thank you, Mr. Speaker, for your kind consideration. I shall try to use it wisely and not abuse it.

I was very pleasantly informed in the course of this debate on the motion introduced by the hon. member for Shefford (Mr. Rondeau) asking the government to consider the advisability of putting the powers and resources of the Bank of Canada at the disposal of the Canadian people with a view to eliminating poverty.

Mr. Speaker, I put question No. 636 on the orders paper. A few minutes ago, the Minister of Finance (Mr. Benson) said that poverty is on the way out in Canada and that the war against poverty was proceeding normally, and that everything was going very well indeed. On the subject of taxation, Mr. Speaker, he was, so to speak, off the beam, as the matter under discussion does not involve taxation but money. There can be no question of taxation if there is no money to be distributed.

• (9:50 p.m.)

Therefore, I am surprised to see a so-called competent man stray from the subject and unable to answer to the reasonable contentions made by the Ralliement Creditiste.

Mr. Speaker, question No. 636 was as follows:

1. How many workers in Canada earn less than $3,000 per year?

2. How many workers in Canada earn between $3,000 and $4,000?

The Minister of Industry, Trade and Commerce (Mr. Pepin) answered me, and I quote:

1. 2,440,819.
Total percentage of employees: 47.9 per cent.

2. 1,034,909.
Total percentage of employees: 20.3 per cent.

Mr. Speaker, if we take into account all wage earners in Canada who earn less than $4,000 per year, it amounts altogether to 68 per cent.

That proves, Mr. Speaker, that the government makes empty promises and fails to take steps likely to check unemployment, to eliminate poverty, to give every Canadian, as the honorable member for Temiscamingue (Mr. Caouette) said, an adequate purchasing power, by means of a national dividend, that would enable him to meet his needs, to promote the well-being of his family, of his children and, in short, of the human person, since this is precisely the case in point.

Mr. Speaker, when I moved that the sitting of the house be extended until 11 o'clock, I was very surprised to see that government members opposed it, since only last Thursday, when we were considering Bill C-173 respecting the reorganization of the government, the house sat until midnight, and in addition to sitting at the government's request, we willingly took part in the debate. That is why I do not understand this change of attitude today.

Mr. Speaker, we have serious problems in Canada—and unfortunately I must make haste—nevertheless, I feel that the motion moved by the hon. member for Shefford (Mr. Rondeau) is most worthwhile. It suggests an approach to such serious problems as unemployment, the housing problem, the farming problem and deals with the advisability of enabling our young people to take their place in a just society.

As a young member, I should like to remind the house that there are in Canada 4,900,000 young people under 18 who, tomorrow, will enter the labour market or be unemployed. In fact, what will be the difference between the two categories? That will depend on the kind of legislation we will pass in order to allow these young people to really take part in the economy of our country.

A while ago, while commenting the very plausible assertions of the hon. member for the Ralliement Créditiste, the Minister of Finance said that when the Canadian economy has caused production to increase, it has achieved its aim.

I see the minister nodding approvingly. This shows how limited he is in his reflections. Indeed, any economy that does not achieve its aim has not served its purpose. And, in my view, it is a sick economy. If we work as hard as possible, if we produce, if we want to establish a family, we must also consume and our Canadian economy must achieve its aim, which is consumption.

I wish to say to the house, which thinks of itself as an august institution, but which, gives rather a poor performance when it comes to acting that the group of young people between the age of 18 and 24—and I consider I am in this category since I am only one year older—has increased by 13 per cent from 1951 to 1961. It is this group of young people who tomorrow will manage our economy. In other words, the population of Canada is getting younger and younger; unfortunately governments—whether they are blue or red—they are all alike—financed and controlled by the same high finance, are old-fashioned and do not try to incite young people to do anything constructive in the Canadian economy, to really participate to the building of our country.

Nowadays young people are enrolled in universities because there are not enough jobs for them. Mr. Speaker, I prophesy a serious crisis among students this summer all over Canada. We have not seen the end of bombings nor heard the last rumblings of the revolution. The young people of Canada are asking themselves more and more frequently whether it is really possible to live in Canada?

Mr. Speaker: Order, please. As it is ten o'clock, it is my duty to inform the house that, in accordance with standing order 58(11), the debate on the motion is deemed to be concluded.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

CANADIAN FILM DEVELOPMENT—ADVISORY COUNCIL TO FACILITATE DEVELOPMENT OF FILM INDUSTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the other day I asked a question of the Secretary of State (Mr. Pelletier) dealing with the subject of the progress or lack of progress in the work of the Canadian Film Development Corporation. This agency was approved by parliament over a year ago now and amidst a great deal of publicity, if not puffery, was supposed to be the answer to a problem that has existed in Canada over a period of at least 50 years. During this time producers and investors have suffered their way through optimism, disappointments, good intentions, hard work, chauvinism, and even occasional chicanery in trying to introduce into Canada a vital and a viable feature film industry.

Recently members of the house have been hearing a growing number of complaints from various associations connected with the production of films in Canada. Several briefs have come to hand. The Montreal branch of the Canadian cinematographers has been very active. This group and other groups concerned with film production in Canada have appeared before the committee on broadcasting, films and assistance to the arts, so we now have a better idea of the growing feeling of hostility between the agency that was supposed to overcome long standing problems—I refer to the Canadian Film Development Corporation—and the professional people in Canada who are charged with the responsibility of actually producing the feature films that will be made possible by financial assistance through the C.F.D.C.

• (10:00 p.m.)

The complaint is that there is no consultation between this new government agency and the actual producers of films. They have recently had assurance, as a result of growing complaints, that an advisory board will be set up to provide a vehicle for continuing consultation. Actually, I was most concerned with getting information from the minister as to when this advisory board would be established. Until it is established, the C.F.D.C. will certainly not be able to do the job parliament has charged it to do.

[Mr. Speaker.]

It has been discovered also that money will not solve the problem. The main function of the C.F.D.C. at the moment is to give capital assistance from the $10 million fund that has been authorized. One of the main problems is distribution. Distribution outlets in Canada are largely foreign dominated and until Canada grapples with this problem the C.F.D.C. is sounding brass and tinkling cymbals as far as assisting the development of a feature film industry is concerned.

It is also the complaint that the greatest difficulty comes from direct competition from the government agencies which have a monopolistic position in film production, that is the National Film Board and the Canadian Broadcasting Corporation. In the committee it was suggested that in view of these inadequacies a series of hearings should be held so the committee could work out a policy to overcome some of the obstacles that have been referred to by film producers.

I submit tonight that it is the function of the C.F.D.C., as the agency authorized by this parliament, to work out such a policy. I trust that under the guidance of the Secretary of State (Mr. Pelletier) with his special responsibilities in this regard, we might establish closer consultation between the C.F.D.C. and the film producers so that the corporation will be able to function as intended by parliament when it approved the legislation.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, as the hon. member knows the act which established the Canadian Film Development Corporation also made provision for an advisory group. The intention of the government at that time was that there should be the closest consultation between the corporation and the film industry, and this is still the intention of the government.

The corporation has been in close consultation with those interested in the feature film industry, contrary to the contention of some who, perhaps, have not been given the attention that they feel they deserve. I can report to the house that Mr. Michael Spencer, secretary of the corporation, has been engaged for some time in talks with the representatives of those groups referred to in the incorporating act as those who should be represented on the advisory board. On February 12, for instance, he met with a group in Toronto, and met with another group in Montreal on February 28. At this time, he is in Vancouver meeting other interested persons there.

I understand it is the intention of the corporation, after Mr. Spencer has completed these consultations, to recommend to the Secretary of State the establishment of an advisory group. I know that the Secretary of State is most anxious to have this group established as soon as possible. Under the act, however, it is incumbent on the Secretary of State to await the recommendation of the corporation before that is done. I hope that the Secretary of State will receive such recommendation in the near future, after consultation has been completed, and that this advisory group will be a useful vehicle for the type of consultation which we all think is very desirable.

VETERANS AFFAIRS—NURSES AT WESTMINSTER HOSPITAL, LONDON, ONTARIO

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, during the past several days a number of my colleagues and I have received a large number of letters from registered nurses on the staff of Westminster Hospital at London, Ontario. No doubt hon. member of other parties in this house have received similar letters. In the main, these nurses are complaining about the alleged shortage of registered nurses on the staff of Westminster Hospital. They contend that because of this shortage, they are not able to give the kind of service they would like to give. They also contend that it is difficult to recruit additional registered nurses because of salary conditions, the freeze on employment at the hospital, and so on.

This afternoon I asked the Minister of Veterans Affairs (Mr. Dubé) a question about this matter and Your Honour thought it would be better to ask it on an adjournment motion. That is why I am here tonight, and I am happy to see that the Minister of Veterans Affairs is here also. I hope for the sake of those of us who have asked these questions publicly and for the sake of members in all parts of the house who have received these letters and are concerned, that the minister has a satisfactory answer we can communicate back to the nurses in Westminster Hospital at London, Ontario. I invite his comment at this time.

[*Translation*]

Hon. Jean Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I have also receive this circular letter which was sent to me by a nurse from Westminster Hospital, a veterans' hospital in London, Ontario.

Besides, members from this city had already sent me newspaper clippings about a so-called shortage of registered nurses in that hospital. For the information of the hon. member for Winnipeg North Centre (Mr. Knowles) and others who may be interested, I wish first to explain that the number of registered nurses in that hospital has remained reasonably constant over the past two years.

It is true that the number of professional nurses in that hospital has been subjected to some fluctuations, as is the case for the majority of the other Canadian hospitals, including those under my jurisdiction.

While there has been a moderate decrease in the number of full-time registered nurses, this has been compensated for by an increase in the number of part-time nurses employed. The actual number of professional nursing hours of care available to our veterans has not materially changed, and this is the important point.

This institution has an average patient load of close to 1000 of which approximately 400 patients are in the psychiatric wing and 300 in chronic or domiciliary care facilities.

With these groups it is frequently possible to provide essential nursing services with auxiliary nursing staff supervised by a reduced number of professional nurses. There has been no evidence that any patient, even on the active wards, has not received a satisfactory level of nursing care.

On the subject of the nurses' salaries, I am informed that they are much the same as in other hospitals of that city and I have figures to prove it. At Westminster Hospital, salaries are between $5,400 and $6,420; at St. Joseph Hospital they go from $5,340 to $6,429 and at Victoria Hospital, from $5,460 to $6,840.

Just recently, at the beginning of the month, the Professional Institute has been certified as the bargaining agent for the Public service nurses and it is expected that the matter of salaries will be settled shortly.

Bargaining will commence soon and I am convinced that the decisions will be to the satisfaction of all those interested.

• (10:10 p.m.)

[*English*]

BOARDING UP OF HOUSING UNITS—OAKVILLE, ONT.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, earlier today I asked a question relating to housing in Oakville, Ontario. This involved an issue that I think would be of interest any place in Canada where there is a desperate shortage of housing, particularly housing suited to people's purses.

Proceedings on Adjournment Motion

The case of the boarded up houses on Normandy Road in Oakville was presented on a national magazine television show on Sunday night. This was also dealt with quite thoroughly in the March 10 issue of the Oakville *Daily Journal Record*. In 1947, there were 37 houses built for military occupation, 10 of which are to be demolished this year. Oddly enough these houses became vacant because of unification. The minister responsible for the unification program now finds himself with the new "hat" of housing on his head. He is faced with the problem of what to do with these 37 homes. The argument has been made that these homes are quickly deteriorating, as they were built originally to last 10 to 15 years.

When news of the projected demolition of these homes became known to people in Oakville, the housing shortage in that area became a very serious issue. A public spirited citizen, Peter K. McWilliams, Q.C., first brought the matter to the attention of the public. He wrote the Minister of Transport (Mr. Hellyer) suggesting that these houses be rented on a monthly basis until there was a final decision on the total sale and redevelopment of that particular area. I would add that these houses could possibly be rented to people who could repair them when absolutely necessary.

In the Oakville paper to which I have referred, there have been references to people of humble circumstances who are forced to pay $185 for the monthly rent of town houses, and who find that this is really more than they can bear. So, naturally they regard these boarded up houses as a solution to their problems, if only for the short term. Incidentally, the way we carry out our redevelopment schemes in Canada, it will probably take years before something new could be put in their place.

I hope the reply from the government side will be that some common sense has intervened and that these houses will be available at the monthly rentals suggested under the formula that Mr. McWilliams advanced. This would do something a least to ease the problem in Oakville.

Finally, Mr. Speaker, may I quote from a letter written by Mrs. Juliana W. Burns which appeared in the March 13 issue of the *Daily Journal-Record*. She is the wife of a man who earns $90 per week and in her letter she says:

> The houses we could have had are all above our heads rent-wise, when you consider that you have to pay for heat and hydro and the rent is $150 per month that is nearly three quarters of a working man's salary. At this rate we could hardly afford to feed and clothe ourselves, and this is not living, we are merely existing from day to day wondering where our next meal is coming from. We can't move in with relatives as there is no room and the town would only put us out anyway.
>
> Surely there must be someone somewhere who has something to offer, all we want is half a chance to live normally.

Mr. Speaker, there is someone somewhere who could give the Burns family of Oakville a chance to live at a reasonable rental if only for a short period of time, and that person is the Minister of Transport (Mr. Hellyer) or the Minister of National Defence (Mr. Cadieux). I hope the reply tonight will be favourable to Mrs. Burns.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Transport (Mr. Hellyer) reports that the question refers to 37 houses that were constructed in 1947 to house servicemen returning from World War II. The dwellings were designed and built for a life expectancy of from 10 to 15 years. Prior to completion of construction, the local military command entered into an agreement with Central Mortgage and Housing Corporation to rent the houses to serving members of the armed forces. That arrangement is still in effect. But, because structural components are deteriorating at an alarming rate, to the point where some are already uninhabitable, and because our engineering reports indicate that rehabilitation would not be economical, a decision was taken that six houses, all of which are vacant, should be demolished.

The Minister of Transport's views on demolition, at a time when every available dwelling is so urgently needed, are well known. Hon. members will recall that the report of the task force made the point rather vigorously. Because of this, and the strong representations made by the hon. member for Halton (Mr. Whiting), the Minister of Transport has asked Central Mortgage and Housing Corporation to engage the services of a firm of independent engineering consultants with instructions to make a further assessment of the physical condition of the houses, to advise us on the possibility of salvaging this living accommodation and, if so, the probable per unit and over-all cost.

Mr. Speaker: This house stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the house adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, March 19, 1969

The house met at 2 p.m.

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 Bill C-156, an act to amend the Animal Contagious Diseases Act, without any amendment.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would like to make a brief statement with regard to the business for today and tomorrow. As I indicated yesterday, we will be calling as the first item of business today the government reorganization bill, with the understanding that we will deal with all parts of that bill which have not yet been passed in committee, except that with respect to regional economic expansion.

It is the intention tomorrow,—and this is where there is a change in the announced business,—to call the government reorganization bill and if agreeable to carry it through to completion by the adjournment tomorrow night. I confirm that the Maritime Freight Rates Act amendment, for which concurrence of the house will be asked for first reading today, will not be called as the first item of business tomorrow, but rather that bill will be called for second reading and further stages on Monday of next week.

As I indicated, I will be seeking a special order of the house on motions tomorrow for the purpose of providing a procedure whereby the government reorganization bill can be brought to completion by the adjournment hour tomorrow.

Mr. G. H. Aiken (Parry Sound-Muskoka): Would the government house leader clear up a question on the business of the house? I understand he is not asking at this time for an order to complete the reorganization bill tomorrow evening.

Mr. Macdonald (Rosedale): I will be asking for that on motions tomorrow.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would just like to confirm there have been discussions along the lines suggested by the President of the Privy Council. It is our understanding that no order is now being asked for tomorrow, but that there will be tomorrow an endeavour to reach the kind of agreement which will make it possible to finish the government reorganization bill by tomorrow night.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

Thirteenth report of the Standing Committee on Finance, Trade and Economic Affairs, in French and in English—Mr. Gaston Clermont (Gatineau).

Fifth report of the Standing Committee on Transport and Communications, in French and in English—Mr. H.-Pit Lessard (LaSalle).

[*Editors' Note: Text of foregoing reports appear in today's Votes and Proceedings.*]

REGIONAL DEVELOPMENT

TABLING OF AGREEMENT SIGNED IN CHARLOTTETOWN

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I wish to table copies, in the two official languages of the country, of the federal-provincial agreement signed on March 7 last, in Charlottetown, by the premier of Prince Edward Island and myself, to promote economic expansion and social development in the island.

[*English*]

MARITIME FREIGHT RATES

MEASURE TO EXTEND FOR ONE YEAR PROVISIONS OF RAILWAY ACT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I ask the house for unanimous consent to waive the provisions of Standing Order 48 in order that

the bill to amend the Maritime Freight Rates Act could be given first reading today, and therefore be before hon. members.

• (2:10 p.m.)

Mr. Aiken: Mr. Speaker, that is acceptable.

Mr. Knowles (Winnipeg North Centre): Agreed.

Hon. Donald S. Macdonald (for the Minister of Transport) moved for leave to introduce Bill No. C-182, respecting Maritime Freight Rates.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF COMMUNICATIONS EMPLOYEES AND ACCOMMODATION

Question No. 1,147—**Mr. Macquarrie:**

1. Since July 1968, how many employees have been assigned to the Department of Communications from (a) the Post Office Department (b) the Department of Transport (c) from other government departments (d) from outside the Public Service?

2. In addition to that occupied on July 31, 1968, by the Post Office Department and the branches of other departments designated for transfer to the Department of Communications, how much office space does the government intend to allocate to the Department of Communications and, how much of this space is to be acquired (a) by purchase (b) by rental (c) by construction and, in each case, at what cost?

3. To date, how much has been expended by the government in connection with the proposed establishment of the Department of Communications?

4. To date, how much has been expended (by all departments of government) in the development of the proposed communications satellite programme, specifically, how much has been spent (a) on preparation of the white paper *A Domestic Satellite Communication System for Canada* (b) by the Planning Group for Communications (including the cost of the Task Force to autumn 1968 investigating European capabilities for production of component parts (c) in the preparation of the MacIntosh Report (d) in the drafting of the technical reports by RCA Victor and Northern Electric?

5. When is it intended to table the MacIntosh Report?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): 1. (a) None; (b) 760; (c) 547; (d) None.

[Mr. Macdonald (Rosedale).]

2. The Department of Public Works, in consultation with the Department of Communications, estimates that there will be an additional requirement for approximately 45,300 sq. ft. of office space that is likely to be provided in leased premises at an approximate rental cost of $207,600 per annum, and an additional requirement for approximately 11,865 sq. ft. of office space that will probably be available in existing Crown-owned buildings at a cost of about $56,360. No additional office space will be provided for the Department of Communications by purchase.

3. $6,400.

4. (a) $19,170; (b) $133,500. In addition to (a) and (b), in 1966/67 the Department of Transport commissioned preliminary studies at a cost of $156,970. (c) $8,391; (d) Expenditures as of Jan. 14/69 on a study respecting the design, development and supply of a Domestic Satellite Communication System for Canada by: (i) RCA Victor are, $175,000; (ii) Northern Electric are, $184,000.

5. In the course of developing its policy concerning satellite communications, the government has had a number of confidential memoranda and papers prepared. The government will determine in due course which of these it is in the public interest to publish.

HUDSON BAY OFFSHORE RESOURCES

Question No. 1,242—**Mr. Fortin:**

Does the government intend to concur in the agreement between the Provinces of Ontario, Manitoba and Quebec respecting the boundaries of offshore resources in Hudson's Bay?

Mr. J. E. Walker (Parliamentary Secretary to the Prime Minister): The boundaries of the Provinces of Ontario, Manitoba and Quebec with respect to Hudson Bay have been defined by the Boundaries Extension Acts of 1912. These acts define each boundary as "Following the shore of the said Bay". No amendment to these acts is at present under consideration.

INDIAN MONEYS IN SUSPENSE ACCOUNTS

Question No. 1,276—**Mr. Simpson:**

1. As of January 1, 1969, how much money was held by the Canadian Government in suspense accounts (a) on behalf of individual Indians (b) on behalf of Indian bands?

2. How much of the money held in suspense accounts (a) on behalf of individual Indians (b) on behalf of Indian bands accumulated interest?

3. What rate of interest was paid?

4. Is the Department of Indian Affairs and Northern Development planning revisions in the administration of these suspense accounts?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Amount of money held in Suspense at January 1, 1969: (a) On behalf of individual Indians: Indian Compensation, $43,292.82; Rental Suspense, nil; (b) On behalf of Indian bands: Indian Compensation, $169,166.05; Rental Suspense, $617,815.47.

2. (a) Indian Compensation, $43,239.98; Rental Suspense, nil; (b) Indian Compensation, $162,454.71; Rental Suspense, nil.

3. 5 per cent.

4. Not at this time.

MONCTON, N.B.—FRENCH LANGUAGE PROGRAMS

Question No. 1,358—**Mr. Corbin:**

1. How many French-language (a) radio, and (b) television programmes were produced in the studios of Stations CBAF and CBAFT, Moncton, in 1965, 1966, 1967 and 1968?

2. How many such programmes were produced in the studios of the private station, CKCW-TV, Moncton, during these four years?

3. How many radio programmes, produced in Moncton, were broadcast by Station CJEM, Edmundston, for the same years (a) general news programmes (b) programmes of a political nature (c) variety programmes?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. (a) Approximate number of radio programs produced in CBAF studios, based on representative weeks during the years in question: 1965, 3,600; 1966, 3,900; 1967, 4,200; 1968, 4,400. (b) CBAFT had no TV program production studios during the years 1965 to 1968.

I am informed by the Canadian Radio-Television Commission as follows: 2. 1965, Nil; 1966, Nil; 1967, Nil; 1968, CKCW-TV originated four half-hour free-time telecasts for CBAFT during the 1968 Federal Election Campaign.

3. The number of radio programs produced in Moncton and aired by CJEM were as follows:

	General News programs	Programs of a Political Nature	Variety Programs
1965	372	20	4
1966	372	20	6
1967	372	20	32
1968	363	20	40

ESQUIMALT-SOOKE-COWICHAN LAKE-COWICHAN BAY RAILWAY SERVICE

Question No. 1,360—**Mr. Anderson:**

Are any railway bridges on the Esquimalt-Sooke-Cowichan Lake-Cowichan Bay Canadian National Railway lines closed for safety reasons?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: Two bridges on the Cowichan Subdivision are impassable and out of service. However, service over the subdivision is being maintained by way of Victoria and Youbou.

SASKATCHEWAN—HOMES ON INDIAN RESERVATIONS

Question No. 1,372—**Mr. Korchinski:**

1. How many homes have been constructed on Indian Reservations in Saskatchewan during 1968?

2. What was the cost of these homes?

3. How many of these homes were within the Mackenzie constituency?

4. How many homes does the Department expect to construct in 1969?

5. How many of these homes will be within the Mackenzie constituency?

6. How many homes were built on Indian Reservations across Canada?

7. What was the total cost of these homes?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. During the fiscal year 1967-68, 410 homes were constructed on Indian reserves in Saskatchewan.

2. $2,701,259.

3. 64.

4. During the fiscal year 1968-69, it is expected that 1927 homes will be constructed.

5. 64.

6. During the fiscal year 1967-68, 2005 homes were constructed on Indian reserves in Canada.

7. $16,251,886.

MÉTIS HOMES IN SASKATCHEWAN

Question No. 1,373—**Mr. Korchinski:**

1. How many homes were constructed for Metis in Saskatchewan which involved federal participation or financing in 1968?

2. What was the cost to the federal government?

3. At what locations were these homes constructed?

4. In what other provinces were homes for Metis financed under any federal program?

5. How many homes were constructed in each province?

Hon. Paul Hellyer (Minister of Transport): The below listed answer applies in so far as Central Mortgage and Housing Corporation is concerned. 1. Under a 300-house program being financed through the Federal-Provincial cost sharing provisions of Section 35A of the National Housing Act, the Province of Saskatchewan constructed 35 houses for sale to Metis and Enfranchised Indians in remote communities in 1968.

2. Under the arrangement, costs are shared 75 per cent by the Federal Government and 25 per cent by the Province. The Federal Government's 75 per cent share of the capital cost of the 34 houses is estimated at $138,560. Purchaser's monthly payments are based on family income and deficits representing the difference between monthly payments and the amount required to repay capital costs and pay taxes are shared annually on the same 75 per cent and 25 per cent basis.

3. The houses were constructed in LaRonge, Pine House, Cumberland House and Pelican Narrows.

4. and 5. Recently the Federal Government approved a similar arrangement with the Province of Manitoba under the provisions of Section 35A of the National Housing Act. Under the arrangement the Province is to construct 100 houses for Metis and Enfranchised Indians in remote areas of the Province. As in the case of the Saskatchewan program the Federal Government will bear 75 per cent of the costs. The arrangement was approved in November 1968 and no houses have yet been built.

LINGUISTIC QUALIFICATIONS OF PUBLIC SERVICE EMPLOYEES

Question No. 1,399—**Mr. Caouette:**

1. What is the total number of persons employed by the Public Service Commission of Canada as (a) Clerk 1 or equivalent (b) Clerk 2 or equivalent (c) Clerk 3 or equivalent (d) Clerk 4 or equivalent?

2. Of that number, and for each of the above categories, how many speak only (a) English (b) French (c) both languages?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. (a) Clerical and Regulatory, Level 1 or equivalent, 47; (b) Clerical and Regulatory, Level 2 or equivalent, 100; (c) Clerical and Regulatory, Level 3 or equivalent, 139; (d) Clerical and Regulatory, Level 4 or equivalent, 130.

[Mr. Korchinski.]

2. (a) English: Clerical and Regulatory, Level 1 or equivalent, 15; Clerical and Regulatory, Level 2 or equivalent, 46; Clerical and Regulatory, Level 3 or equivalent, 70; Clerical and Regulatory, Level 4 or equivalent, 86; (b) French: Clerical and Regulatory, Level 1 or equivalent, 10; Clerical and Regulatory, Level 2 or equivalent, 4; Clerical and Regulatory, Level 3 or equivalent, 13; Clerical and Regulatory, Level 4 or equivalent, 1; (c) Both languages: Clerical and Regulatory, Level 1 or equivalent, 22; Clerical and Regulatory, Level 2 or equivalent, 50; Clerical and Regulatory, Level 3 or equivalent, 56; Clerical and Regulatory, Level 4 or equivalent, 43.

BANK OF CANADA INTEREST RATES

Question No. 1,428—**Mr. Latulippe:**

Is the Bank of Canada authorized to increase its interest rates without consulting the government and, if so (a) for what reasons (b) what are the powers of the Directors of the Bank in this regard?

Hon. E. J. Benson (Minister of Finance): Section 5 of the Bank of Canada Act provides that the Bank shall be under the management of its Board of Directors. Section 8(1) of the Act states that the Governor of the Bank is the chief executive officer of the Bank and on behalf of the Board has the direction and control of the business of the Bank with authority to act in connection with the conduct of the business of the Bank in all matters that are not by this Act or by the by-laws of the Bank specifically reserved to be done by the Board or by the Executive Committee. Section 14 of the Act requires that the Minister and the Governor shall consult regularly on monetary policy and on its relation to general economic policy. It also provides, in the event of a difference of opinion between the Minister and the Bank concerning the monetary policy to be followed, that the Miniser may, after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy which shall be published forthwith and that the Bank shall comply with such directive.

MISSIONS FROM COMOX AIR BASE

Question No. 1,431—**Mr. Anderson:**

1. What percentage of search and rescue missions from Comox Air Force Base are under (a) visual flight conditions (b) instrument flight conditions?

2. What are the minimum safe altitudes for an aircraft under instrument flight conditions, travelling from Comox Air Force Base to the North

(Prince Rupert), the South (Victoria), the West (Tofino) and the East (Prince George)?

3. Can the Grumman Albatross HU 16 B be used safely in its present configuration under instrument flight conditions on search and rescue missions from Comox Air Force Base in any direction considering the possibility of engine failure?

4. Can the Grumman Albatross HU 16 B take off with only one engine operative?

5. What is the average cost to bring an aircraft back to flying status after an engine failure?

6. In terms of dollars, what did the malfunction of a Grumman Albatross HU 16 B at Cold Fish Lake in 1968 cost the taxpayer?

7. How much of the low operational readiness figure of 53.2% for this aircraft is contributed to by (a) engine, accessory or propeller malfunction (b) airframe malfunction?

8. How many hours contour search are carried out annually by Comox Air Force Base search and rescue aircraft?

9. Can contour search in high elevation valleys be carried out without risking the loss of the aircraft in the event of an engine failure?

10. For how long can the maximum 190 feet per minute rate of climb on one engine be maintained?

11. What is the maximum permissible period for full power settings (a) on two engines (b) on one engine?

12. For how long can the aircraft maintain 5,900 feet on one engine without jettisoning exterior fuel tanks or other equipment?

Hon. Léo Cadieux (Minister of National Defence): 1. All actual searches are performed under visual flight conditions. However, it is sometimes necessary to perform mercy flights and to fly to search areas under instrument flight conditions. Taking these factors into consideration it is estimated that 32% of the total flying time performed by Canadian Forces Base Comox Search and Rescue aircraft is done under instrument flight conditions.

2. Prince Rupert, 7,100 feet; Victoria, 5,500 feet; Tofino, 8,000 feet; Prince George, 9,000 feet.

3. The Canadian Forces do not operate the Grumman Albatross HU16B. The HU16B is a United States Coast Guard designation for a version of the Albatross which has different engines and propellers from that of the Canadian Forces Albatross SA16B. The safeness of each operation would depend on variables of flight planning, weather and pay load.

4. No.

5. An engine failure can occur for a variety of reasons ranging from minor to major component malfunctions. Assuming the worst case, which would be an engine change, the estimated maximum cost would be $504 for labour. If the failure involves a complete repair and overhaul this may entail an additional $10,000.

6. There was no Grumman Albatross HU16B at Cold Fish Lake in 1968. However, the cost to repair the Canadian Forces SA16B was $9,773.

7. Because the operational readiness figure of 53.2% was arrived at as a function of crew availability, logistic support, scheduled depot level maintenance and unscheduled unserviceabilities for the Canadian version of the Albatross, it is not possible to correlate this figure with individual component malfunctions without undertaking a costly study.

8. In 1968, 565 hours.

9. Yes.

10. One minute.

11. (a) Five minutes; (b) five minutes.

12. Five minutes.

CITIZENSHIP WAITING PERIOD

Question No. 1,439—**Mr. Aiken:**

1. For what reason has a period of five years been established as the length of time potential citizens of Canada must wait before being allowed to apply for Canadian citizenship?

2. Is it intended to change the length of this period and, if so, in what way?

3. Is it intended to change the procedures for applying for and securing Canadian citizenship in any other way?

Hon. Gérard Pelletier (Secretary of State): 1. A five year period of residential qualification was first introduced in Canada by the "British Nationality and Status of Aliens Act, 1914" which was re-enacted *mutatis mutandis* in this country. It is said to have been enacted to guard against the cases of persons becoming naturalized in a country requiring little or no previous residence, and then returning to their own country, or settling in some foreign country, with a claim to nationality and protection to which they had not become entitled according to recognized principles of international law by a bona fide change of domicile.

2. All the provisions of the Canadian Citizenship Act are now the subject of review which has not yet been completed. It is not possible therefore to say what changes are intended.

3. See 2 above.

Questions

YARMOUTH, N.S., FERRY SERVICE

Question No. 1,461—**Mr. Comeau:**

Is the ferry, presently under construction for Lion Ferry AB at Bremerhaven, designed for stern loading and, if so, what steps are planned at Yarmouth to make suitable facilities available for this type of ferry and will they be completed in time for the opening of the new ferry services?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: Investigation is presently proceeding on the probable requirements for a bow loading vessel at Yarmouth and the costs involved in providing such facilities. Any decision on federal participation in this project must await the evaluation of the results of these investigations.

DEPARTMENT OF TRANSPORT PRESS RELEASES

Question No. 1,489—**Mr. Howard (Skeena):**

1. Does the Department of Transport issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. Paul Hellyer (Minister of Transport): 1. Yes, 69.

2. (a) $158.70; (b) $270.00; (c) $389.06; (d) $873.08; (e) $3,105.00.

3. (a) No. 7 Bond, 40M; (b) 219,600 sheets at a cost of $433.81.

4. 1,371 hours.

BELL CANADA RATES

Question No. 1,504—**Mr. Gilbert:**

Has the Government of Canada requested data from Bell Canada in relation to their recent application to the Canadian Transport Commission for increase in telephone rates as stated by the Postmaster General on December 16 last and, if so, what specific data has been requested?

Hon. Eric W. Kierans (Postmaster General): In so far as the Communications Department is concerned: No request has been made to Bell Canada for information relative to their application for an increase in telephone rates.

[Mr. Pelletier.]

While the application is before the Canadian Transport Commission, the department does not plan to initiate action in this regard. However, as stated on December 16, 1968, the Department of Communications is intent on gathering information on the telecommunications industry so as to be in a position to make rational decisions on such problems.

MONTREAL—SITE OF INTERNATIONAL AIRPORT

Question No. 1,506—**Mr. Robinson:**

1. Has the Department of Transport selected a new site for the Montreal International Airport?

2. Have any lands been purchased at this time?

3. When will construction commence on the new airport?

4. What is the anticipated opening date for the new airport?

Hon. Paul Hellyer (Minister of Transport): 1. The Department of Transport has evaluated alternative sites but a final decision has not yet been made.

2. No.

3. Present planning is that initial construction will commence in approximately 18 months.

4. Departmental plans are predicated upon the new airport being operational by 1974.

ATHABASCA, ALTA., POST OFFICE CLOSURES

Question No. 1,516—**Mr. Yewchuk:**

1. How many post offices have been closed in the Athabasca constituency in 1965, 1966, 1967 and 1968?

2. How many post offices will be closed in the Athabasca constituency in 1969?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. 1965, 2; 1966, none; 1967, 9; 1968, 7.

2. The Frains, Alberta, Post Office is to be closed in the near future.

Note: Further studies are being conducted with a view to closing additional Post Offices within the closing program criteria but no decision has been made on any case as yet.

LONG LINER FISHING VESSEL TENDERS

Question No. 1,549—**Mr. Crouse:**

1. Did the Department of Indian Affairs and Northern Development recently call tenders in the Atlantic Provinces for a long liner type fishing vessel?

2. What are the names of the firms bidding on this work, the amount of their bids and the name of the successful contractor?

3. For what purpose will this ship be used by the Department?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2.

Name and Address	Amount of Bid $
Sparton Construction Ltd., Alberton, P.E.I.	18,978
Gordon & Clyde Shears, Rocky Harbour St. Barbe, Newfoundland.	21,300
R. & L. Grandy Limited, Fortune, Newfoundland.	26,630
Lewisporte Shipyard, Lewisporte, Newfoundland.	26,870
Carpenters Shipyards Ltd., Fort Union, Newfoundland.	27,764
Newfoundland Shipyards Ltd., St. Johns, Newfoundland.	32,400
The International Grenfell Association, Ottawa, Ontario.	32,400
Pelley Enterprises Ltd., Springdale, Newfoundland.	38,500
Harley S. Cox & Sons Ltd., Sherburne, N.S.	45,405

The successful contractor was Sparton Construction Ltd.

3. The vessel is being purchased under the Esquimo Small Boats Assistance Plan for Mr. Celestino Makpah of Whale Cove who will use it for fishing.

QUEBEC PARTICIPATION IN STUDENT LOANS PROGRAM

Question No. 1,562—**Mr. Matte:**

Does the Province of Quebec receive from the federal government any compensation in connection with the Canada Students' Loan Program and, if so, by what means?

Hon. E. J. Benson (Minister of Finance): Section 12 of the Canada Student Loans Act provides for an alternative payment to a non-participating province which operates its own student loans plan. This payment is related to actual statutory expenditures incurred during a loan year by the federal government (e.g. interest payments and loss claims) and is calculated on the basis of the 18-24 year population in a non-participating province relative to that in the participating provinces. Quebec qualifies for payments under this provision, and the following such payments have been made to date; 1965, $74,262.05; 1966, $757,447.99; 1967, $1,230,572.14; 1968, $2,402,552.55.

CHARLOTTETOWN AIRPORT

Question No. 1,563—**Mr. MacLean:**

1. Is the Charlottetown Airport at present capable of accommodating DC-9 aircraft in regular commercial use?

2. If not, what facilities or additional length of runway is required to make this possible?

3. When will the Charlottetown Airport be brought up to standard to allow the commercial use of DC-9 aircraft, if this is not already the case?

4. What program of improvement is contemplated for Charlottetown Airport for the next three years?

5. Has this program been delayed?

Hon. Paul Hellyer (Minister of Transport): 1. Yes.

2. Not applicable.

3. Not applicable.

4. The following items are programmed for the Charlottetown Airport: (a) installation of a non-directional radio beacon, programmed for fiscal year 1970-71; (b) installation of an instrument landing system, programmed for fiscal year 1971-72.

5. No.

P.E.I.—VOCATIONAL TRAINING EXPENDITURES

Question No. 1,579—**Mr. MacLean:**

1. What was the amount spent under the Vocational Training Program in the Province of Prince Edward Island for each of the fiscal years from 1964-65 to 1968-69 inclusive?

2. What is the amount, if any, to be spent in that Province under the Vocational Training Program in the fiscal year 1969-70?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Amounts spent on technical and vocational training in the Province of Prince Edward Island are the following:

	Federal Expenditures in the Province of Prince Edward Island under	
	TVT Assistance Act[1] $	Adult Occupational Training Act $
1964-65	419,753	
1965-66	271,485	
1966-67	202,800	
1967-68	1,170,774	905,395
1968-69	279,456	1,618,000[2]

[1] inclusive of contributions to capital expenditures

[2] estimated

2. The amount to be spent in that Province during the fiscal year 1969-70 has not been estimated yet.

SATURDAY POSTAGE STAMP PURCHASES

Question No. 1,587—**Mr. Macquarrie:**

1. During what hours on Saturday may stamps be purchased at the wickets of Post Offices?

2. Are Canadian quarters (twenty-five cent pieces) of the type minted since August 1968 useable in the stamp vending machines of the Canadian Post Office Department?

3. If not, is it the intention to convert the existing machines or order new ones in which such coins may usefully be inserted?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. At Staff Post Offices with Letter Carrier Service, postage stamps may not be purchased at the wickets on Saturdays, but stamp vending machines are available.

At Staff Post Offices without Letter Carrier Delivery, postage stamps may be purchased during a 4 hour period on Saturdays. Hours of service are determined by the time of receipt of mail.

At Semi-Staff Post Offices, postage stamps may be purchased during a 4 hour period on Saturdays. Hours of service are determined by the time of receipt of mail.

At Revenue Post Offices there has been no change in service. Stamps may be purchased during hours office is open on Saturdays.

At Sub Post Offices, postage stamps may be purchased on Saturdays during the hours observed by such establishments.

2. Yes; these coins are being accepted in approximately one half of the post office stamp vending machines in service.

3. Yes; conversion of the remainder is presently in progress.

*WHEAT EXPORTS

Question No. 1,597—**Mr. Woolliams:**

1. What were the total wheat exports for the following periods; October 1967-October 1968, November 1967-November 1968, December 1967-December 1968 and January 1968-January 1969?

2. What was the total of demurrage charges paid and/or to be paid by the Canadian Wheat Board on behalf of the producers of Canada to shipowners and others for the months of October, November and December 1968 and January 1969 in reference to those ships that were held in the Port of Vancouver waiting to be loaded with grain for export?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): 1. Wheat exports in millions of bushels by month in the October 1968 to January 1969 period with exports in the same month of the previous year in brackets were as follows: October 26.0 (19.9), November 23.3 (22.0), December 16.1 (12.9), January 18.8 (19.3).

2. It is not the policy of the Canadian Wheat Board to divulge information in respect to its current operations but the information will be made available through the board's annual report when crop accounts have been finalized. In any event only a few claims have already been submitted and it will be a matter of months before all claims are submitted and settlements finalized.

UNCLAIMED POST OFFICE SAVINGS

Question No. 1,611—**Mr. Mather:**

1. What is the approximate amount in dollars of unclaimed Post Office Savings as of January 31, 1969?

2. What will be the disposition of these unclaimed savings?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. $9,760,000.

2. After 31st December 1969, any account with a balance of less than $25, which has been inactive for thirty years or more, will be credited to the Consolidated Revenue Fund, and the depositor will have no further claim in respect of such deposit. Any account with a balance of $25 or more may be claimed by a depositor or his legal representative at any time, except that interest will not be earned after 31st December 1969.

PLUGGING OF OFFSHORE OIL WELLS

Question No. 1,616—**Mr. Anderson:**

1. What regulations govern the plugging of offshore oil wells drilled by Shell of Canada's SEDCO 135F drilling rig and other rigs off the West Coast of Vancouver Island?

2. How many wells have been plugged in Canadian waters by this company's rig and other rigs since drilling operations began?

3. Do all earlier plugs meet present federal standards?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): 1. The plugging

of the wells drilled by Shell Canada Limited off the west coast is governed by the Canada Oil and Gas Drilling and Production Regulations. Under the authority of these Regulations, when a well has reached total depth the Company must obtain prior approval from the responsible officers of the Department of Energy, Mines and Resources for the proposed plugging program. The final design of the program is the result of consultation between Company and Departmental officers. Upon completion of the plugging program, the Company must submit a confirmatory detailed report to the Department.

2. To date, twelve exploratory wells have been plugged and abandoned off the west coast. All of these have been drilled by Shell Canada Limited.

3. Yes.

PILOTAGE RECOMMENDATION 39

Question No. 1,617—**Mr. Stanfield:**

1. Is it the intention of the government to implement Recommendation 39 of the Report of the Royal Commission on Pilotage, especially with respect to its application to the District of Halifax?

2. When is it anticipated that necessary legislation will be introduced?

Hon. Paul Hellyer (Minister of Transport): 1. The government has not yet made a decision on whether to implement Recommendation 39 of the Report of the Royal Commission on Pilotage.

2. It is anticipated that revised legislation to replace the present provisions of Part VI of the Canada Shipping Act will be introduced late in 1969 or early in 1970.

LAUZON, QUE., POSTAL STATION

Question No. 1,676—**Mr. Lambert (Bellechasse):**

Has the Post Office Department rented accommodation for the opening of a postal station at Lauzon, Quebec (a) if so, what is the annual rental rate (b) who is the lessor and what is his address (c) when will the Department occupy the accommodation?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): The Department of Public Works has not rented accommodation for the Post Office Department at Lauzon, Quebec. (a), (b), and (c) Not applicable.

[*English*]

COST OF ARMED FORCES UNIFORMS

Question No. 1,684—**Mr. Diefenbaker:**

1. What will be the cost for each new uniform being provided for the Armed Forces?

2. What will be the estimated total expenditure for (a) uniforms in the year 1969 (b) replacements or second additional uniforms during the years 1969 and 1970?

Hon. Léo Cadieux (Minister of National Defence): 1. The price of one uniform consisting of one cap, one jacket, one pair of trousers, one shirt and one tie is $48.00; however each individual will receive a uniform kit consisting of the following new items, the estimated value of which is $170.00: 1 cap, 2 jackets, 2 pair of trousers, 4 shirts, 2 ties, 1 overcoat and scarf, 1 raincoat regular, 1 raincoat lightweight.

2. See *Hansard* dated 15 January, 1969, page 4307. Estimated expenditures for new uniforms are as follows: 1968-69, $2,500,000; 1969-70, $11,500,000; 1970-71, $8,000,000; 1971-72, $3,000,000.

*MICHAEL GODFREY, COLLEGE MILITAIRE ROYAL

Question No. 1,686—**Mr. Diefenbaker:**

1. Has Mr. Michael Godfrey of College Militaire Royal de Saint-Jean been denied continuance of his teaching engagement by the Director of Studies, Mr. Benoit?

2. If the answer is in the affirmative, was the real reason the fact that he had given favourable evidence to Mr. David Price when called as a witness before the Cohen Commission?

3. Will the Minister of National Defence give reconsideration to the decision made by said Director?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the answer to the first part of the question is that the term appointment of Mr. Michael Godfrey of College Militaire Royal de Saint-Jean terminates on August 15, 1969 and will not be renewed.

The answer to the second part is no.

The following is the answer to the third part of the question: The decision of the Director, College Militaire Royal de Saint-Jean, has been the subject of a grievance by Mr. Godfrey which was heard at the deputy minister level and the decision was to deny the grievance. The griever or his representative may challenge the stand taken by the department by seeking a hearing before an adjudicator as prescribed by the Public Service

Staff Relations Act. Since a remedy exists within the framework of the Public Service Staff Relations Act, I have refrained from interfering in the normal process.

BRANDON, MAN.—USE OF E.M.O. TO BREAK STRIKE

Question No. 1,691—**Mr. Skoberg:**

1. Did the Minister of National Defence approve the use of E.M.O. as a method of breaking a strike of transit workers in Brandon, Manitoba?

2. Has the Minister approved expenditures of E.M.O. money for strike breaking tactics?

3. Has the Minister indicated the position of his Department as to the use of the name, E.M.O., by municipal authorities, when they are contemplating strike breaking procedure?

Hon. Léo Cadieux (Minister of National Defence): 1. No.

2. No.

3. No.

GRANTS IN 1968-69 UNDER INCENTIVE PROGRAM

Question No. 1,701—**Mr. Burton:**

For the fiscal year 1968-69 to date, how many grants were made to plants in Saskatchewan under the Area Development Incentive Program (a) what is the name of each plant receiving a grant (b) what amount of grant was received by each plant?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development):

(a) Name	(b) Amount $
Lloydminster and District Agricultural Co-operative Association Ltd. (Lloydminster)	14,910.60
Northern Wood Preservers (Sask.) Ltd. (Prince Albert)	34,237.99
Prince Albert Pulp Co. Ltd. (Prince Albert)	3,000,000.00
Melfort Co-operative Association Ltd. (Melfort)	20,220.00
Crawfords Foods Ltd. (Wynyard)	11,283.33
Shellbrook Chronicle (Shelbrook)	3,083.60
Canora Concrete Products (Canora)	3,971.24
United Grain Growers Ltd. (Wilkie)	19,516.72
Leon's Mfg. Co. Ltd. (Yorkton)	7,566.91
Webber Homes Ltd. (Yorkton)	14,227.13
Yorkton Milling Co. (Yorkton)	43,829.18

Total—11

ARDA AGREEMENTS WITH PROVINCES

Quetion No. 1,702—**Mr. Burton:**

1. With what provinces does the federal government have ARDA agreements?

2. When do these agreements expire?

3. Is it the intention of the federal government to renew any of these agreements and, if so, which ones?

4. Are negotiations being carried on with any provinces for the renewal of any ARDA agreements and, if so, which ones?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. All ten provinces.

2. March 31, 1970.

3. There will be discussions with the provinces before intentions are formulated.

4. No.

[Mr. Cadieux (Labelle).]

GRANTS IN 1966-67 UNDER INCENTIVE PROGRAM

Question No. 1,704—**Mr. Burton:**

For the fiscal year 1966-67, how many grants were made to plants in Saskatchewan under the Area Development Incentive Program (a) what is the name of each plant receiving a grant (b) what amount of grant was received by each plant?

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development):

(a) Name	(b) Amount $
Inter-Ocean Grain Co. Ltd. —(Moosomin)	62,649.00
Producers Feeds (Sask.) Co. —Ltd. (Melville)	21,959.19

Total—2

COMMITTEE ON SCIENTIFIC AND INDUSTRIAL RESEARCH

Question No. 1,722—**Mr. Broadbent:**

1. How many times did the Privy Council Committee on Scientific and Industrial Research meet for each of the following years: 1965, 1966, 1967, 1968?

2. What was the specific subject under consideration for each of the Committee's meetings for the above years?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. The arrangements made by the Cabinet for the discharge of the Business for which it is collectively responsible are matters for the Cabinet itself and are not customarily disclosed.

COLLECTION OF INCOME TAX

Question No. 1,738—**Mr. Beaudoin:**

In view of the federal government's decision to take the necessary steps to obtain income tax returns from the 7,117 Canadians who have failed to file such returns, what steps does the government intend to take to ensure that the law is enforced?

Hon. Jean-Pierre Côté (Minister of National Revenue): It is presumed this question relates to the reply given to question No. 1,524 in which it was stated that 7,117 taxpayers were prosecuted for failure to file 1967 income tax returns. If this is the group to which the query relates, the law has been enforced, the delinquent taxpayers have been fined by the courts and the returns have been filed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

YUKON AND N.W.T.—INDIANS AND ESKIMOS IN GOVERNMENT SERVICE

Question No. 891—**Mr. Howard (Skeena):**

1. What is the policy of the government with respect to employment in the service of the Government of Canada for Native Indian and Eskimo people in the Yukon Territory and the Northwest Territories?

2. In each of the years 1950, 1955, 1960, 1966, 1967 and 1968, what number of people, and what percentage of the total number of people employed in the government service in (a) the Yukon Territory, and (b) the Northwest Territories were (i) Native Indian people, and (ii) Eskimo people?

3. With respect to the information asked for in part 2, what was the situation with respect to employment by private businesses or corporations?

4. What is the forecast of the number and percentage of (a) Native Indian people, and (b) Eskimo people that will be employed in the service of the Government of Canada for each of the years 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976 and 1977 in (i) the Yukon Territory, and (ii) the Northwest Territories?

5. What (a) recommendations (b) proposals, and (c) agreements have been made with or to (i) federal government departments (ii) provincial governments and specify which ones (iii) Crown Corporations (iv) territorial governments and specify which ones (v) private businesses and corporations and specify which ones, regarding the subject of employment of Native Indian people and Eskimo people in the Yukon Territory and the Northwest Territories?

6. Have any research or studies been made of the question of employment of Native Indian people and Eskimo people in the Yukon Territory and the Northwest Territories and, if so, what is the name of each such research project or study and will it be made public?

7. What specific educational and training programs have been provided for Native Indian people and Eskimo people in the Yukon Territory and Northwest Territories, and what prospects exist for employment with (a) the federal government (b) the respective Territorial Governments (c) private businesses or corporations in the fields vocations and professions for which such programs are designed?

8. What is the location of each school within which programs referred to in part 7 are provided and, how many (a) Native Indian people, and (b) Eskimo people are students in each such school?

Return tabled.

NEWFOUNDLAND—C.N.R. SHIPS UNDER CHARTER

Question No. 1,230—**Mr. McGrath:**

1. How many ships does the C.N.R. have under charter in Newfoundland?

2. What are the names of the ships that are under charter, and who are the owners of the ships?

3. What ships have been chartered by the C.N.R. in the last five years for use in Newfoundland?

4. What are the names of the ships and who are the owners of the ships?

5. What is the port of registry of these ships?

6. How many C.N.R. ships have been taken out of service in the last five years?

Return tabled.

GOVERNMENT INVESTMENT IN CROWN CORPORATIONS

Question No. 1,237—**Mr. Fortin:**

1. For each proprietary Crown corporation, what is the government's investment as (a) share capital (b) long-term loans (c) medium-term loans (d) short-term loans?

2. What is the interest rate for each category of loans?

3. For the last three years, has the government granted loans under section 82 of the Financial

Questions

Administration Act and, if so, to whom were these loans granted, and what was the term and interest rate of each?

Return tabled.

R.C.M.P. STRENGTH

Question No. 1,261—**Mr. Beaudoin:**

1. What is the strength of the Royal Canadian Mounted Police in each province?

2. What was the Force's strength for each year from 1960 to 1968 inclusive and for the same period, what was its strength in each province?

3. What criteria are used to accept or refuse applicants for the RCMP?

4. How many RCMP officers are (a) bilingual (b) speak only English (c) speak only French?

Return tabled.

PUBLIC SERVICE APPOINTMENTS

Question No. 1,282—**Mr. Diefenbaker:**

1. How many appointments were made in the Public Service from January 1, 1968, to date in the general salary range $14,000 to $16,000?

2. What are the names of the appointees to such positions and to what positions were each of them appointed?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION SUPPORT PROGRAMS

Question No. 1,390—**Mr. Robinson:**

1. Does the Department of Manpower and Immigration provide subsidies and/or support programs for any segment of the economy, groups or individuals inside Canada and, if so, to what extent, in what amounts, and to whom are the amounts paid?

2. What amounts have been paid for subsidies and/or support programs during each of the years 1960-68 inclusive?

Return tabled.

EXTERNAL AFFAIRS EXECUTIVES

Question No. 1,438—**Mr. Coates:**

1. What are the names of the eleven individuals classified as Executive under the "Manpower Allocation" of the Department of External Affairs, what is the salary of each individual in the present fiscal year and what was his salary in the last fiscal year?

2. For what reason has the number of the Executive increased from eight to eleven?

3. What are the names of the 41 individuals classified as Scientific and Professonal under "Manpower Allocation" of the Department of External Affairs, what is the salary of each individual in the present fiscal year and what was his salary in the last fiscal year?

4. For what reason has the number of the Scientific and Professional increased from 20 to 41?

Return tabled.

[Mr. Fortin.]

DEPARTMENT OF TRANSPORT PROGRAMS

Question No. 1,514—**Mr. Robinson:**

1. Does the Department of Transport provide subsidies and/or support programs for any segment of the economy, groups or individuals inside Canada and, if so, to what extent, in what amounts and to whom are the amounts paid?

2. What amounts have been paid for subsidies and/or support programs during each of the years 1960-68 inclusive?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

NATIONAL DEFENCE

FIRING OF A.B.M. WARHEADS OVER CANADIAN TERRITORY—MOTION TO ADJOURN UNDER STANDING ORDER 26

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I ask for leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the house under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the urgent situation revealed by the United States defence department that the United States is now seeking Canadian approval to fire anti-ballistic missiles with large thermonuclear warheads over Canadian territory. It is quite clear from the Prime Minister's statements in the house on Monday and statements by Canadian embassy officials in Washington that the United States in deciding to construct this new A.B.M. system did not seek or obtain the Canadian government's permission for such thermonuclear missile flights over Canada, which means that interception would take place over Canadian territory causing extensive nuclear fallout.

Given this fact, plus the broader world danger implications that the construction of this A.B.M. system will further escalate the nuclear arms race, and given the fact that the Prime Minister will be meeting the President of the United States on Monday and Tuesday of this coming week, it is extremely important and vitally urgent that there be a full and comprehensive discussion in the House of Commons prior to this visit in order to evaluate Canada's position in this matter.

Mr. Speaker: In determining whether a matter should have urgent consideration

under Standing Order 26, the Speaker is required to have regard to a number of factors. These are specified in sections 5 and 16 of the relevant rule. In particular the matter proposed for discussion must be one which calls for immediate and urgent consideration. The Chair must also have regard to the probability of the matter being brought before the house within reasonable time by other means.

In this instance the proposal is that the house be given an opportunity to debate a question of undoubted national interest on an urgent basis because the right hon. Prime Minister will be engaged in discussions with the President of the United States on Monday next. The business announced for the rest of the week would not provide an opportunity for such a debate.

It seems to me on reflection that this might well be the type of situation where the standing order should operate, so as to permit debate on a national issue in advance of anticipated events. I am therefore prepared to put the motion to the house: Has the hon. member leave to move a motion for the purpose of discussing the matter stated by the hon. member?

Some hon. Members: Agreed.

Mr. Speaker: The debate on the proposed motion will stand over until 8 o'clock p.m. this day.

• (2:20 p.m.)

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, would you kindly call notice of motion No. 76?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

CORRESPONDENCE RESPECTING BILINGUAL COMMISSIONAIRES IN NATIONAL MUSEUM

Motion No. 76—**Mr. Dinsdale:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of (a) the letter from the Clerk of the Privy Council dated October 17, 1968, sent to departmental heads and dealing with the implementation of Clause 9 of the Official Languages Bill (b) the correspondence from Mr. André Ouellette, Executive Assistant to the Secretary of State, relating to the matter of bilingual Commissionaires (c) the quarterly report of the General Secretary of the National Museums of Canada, Mr. C. J. MacKenzie to the January meeting of the Board of Trustees of the Museums Corporation.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this motion calls for the tabling of three documents.

The first part involves a letter sent by the Clerk of the Privy Council to all departmental heads.

The second part deals with correspondence originating from my own office.

The third part is in connection with a confidential report by the General Secretary of the National Museums of Canada to the Board of Trustees of the Museums Corporation.

I understand that it has always been a practice of this house to consider documents of this nature as confidential. Consequently, it would not be advisable for me to agree to the proposed motion. Under these circumstances, I must ask the hon. member to be kind enough to withdraw his motion.

At any rate, I would like to suggest that this is a matter of principle which has nothing to do with the contents of the documents concerned.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to have permission to have this matter transferred for debate.

Mr. Speaker: Is it agreed that it shall be transferred for debate?

Some hon. Members: Agreed.

DISCONTINUANCE OF CHURCH AND OTHER PUBLICATIONS

Motion No. 85—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all letters received by the Postmaster General from churches, professional organizations, trade unions, co-operatives, credit unions and private organizations, indicating that as a result of the increase in postal rates they intend to discontinue or curtail their publications.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at the request of the government perhaps this motion might stand.

Some hon. Members: Agreed.

Inquiries of the Ministry

ORAL QUESTION PERIOD

NATIONAL DEFENCE

FIRING OF A.B.M. WARHEADS OVER CANADIAN TERRITORY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question, the answer to which might provide some information in respect of the discussion to take place tonight. Has the United States sought the approval of Canada to fire anti-ballistic missile warheads over Canadian territory in the event of an enemy attack?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I may be permitted to answer this question I should like to say that the matter of permission has never been raised with Canada by the government of the United States.

Mr. Fairweather: What's going on at the embassy?

Mr. Stanfield: Mr. Speaker, there have been indications of discussions on a number of aspects of this matter between Canada and the United States. Will the Secretary of State for External Affairs indicate whether these discussions were exclusively on an official or military level, on the one hand, or on a political level on the other hand with the minister himself?

Mr. Sharp: The statement made by the departments of state and defence in the United States set out the position quite accurately. This was included in an article which appeared in the *Globe and Mail* this morning, which reads in part as follows:

"We discuss matters such as these with the Canadians on a continuing basis. A number of aerospace matters pertaining to ABM are under discussions with the Canadians. Since these matters are being discussed, it would not be appropriate to deal in specifics at this time."

That was the only statement made by the United States government.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the statement made not only by the United States defence and state departments but also by Canadian embassy officials in Washington, that such discussions are going on, I should like to ask the minister when these discussions began and if they commenced prior to the time President Nixon announced his government's intention of going ahead with an A.B.M. system?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Sharp: These discussions have been going on for years.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I must remind the hon. member for Nanaimo-Cowichan-The Islands that a moment ago he moved a motion to adjourn the business of the house for the purpose of discussing the matter about which he is now asking questions. In view of the fact there is to be a debate this evening I suggest we should not accept questions on this subject.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On the point of order that Your Honour has raised—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I did not raise a point of order, I made a ruling.

[*Translation*]

LABOUR RELATIONS

MONTREAL—CLOSING OF PORT AS STRIKE SOLUTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to ask a question to the Minister of Labour.

Could he tell us if he intends to recommend, as he suggested it himself, that the Montreal harbour be closed for a year as a means of settling the dispute between the dockers and their employer?

[*English*]

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, what I said specifically was that if the effects of closing the port of Montreal were limited to the unions and the Shipping Federation, perhaps the closing of this port for a year would bring both parties to their senses. I went on to say that an equally important segment of Canadian society that should be represented at the bargaining table are the importers, exporters and the Canadian people in general who have the right to see that the port of Montreal remains free of labour unrest, and open, for the good of the general economy.

[*Translation*]

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

To do that, is the minister considering a year's extension of the terms of reference of the commission set up to study the possibility of reaching an agreement?

[*English*]

Mr. Mackasey: Mr. Speaker, a lot of people would like to know what the Minister of Labour intends to do after March 31. They will have to wait.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I want to direct an additional question to the Minister of Labour. In view of the serious situation at the Montreal harbour, I would like the minister to inform the house and the people what measures he intends to take to see that the port is open, and to settle the present conflict at the earliest possible moment.

Mr. Mackasey: Mr. Speaker, the labour negotiations are proceeding daily before Judge Gold, one of the finest judges charged with industrial relations in this country. The conciliation board is meeting daily, and it would certainly be inappropriate for the Minister of Labour to prejudge the findings of the judge's report.

Some hon. Members: Hear, hear.

HIGHWAY SAFETY

RECALL OF GENERAL MOTORS PRODUCTS TO EXAMINE SUSPECTED DEFECTS

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Minister of Transport a question, having in mind the fact that General Motors Corporation has recalled an additional one million automobiles in the United States and Canada for possible defects. My question is this: Can the minister say what progress is being made in setting up in-plant safety standard checks in Canada, as was recommended last year?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I really have nothing to add to the answer I gave on February 28, when I indicated that we would be introducing legislation, hopefully next session, in respect of safety standards in Canada, and that at that time the possibility of plant inspection would be considered. In the meantime I might repeat what I indicated then, that is, that in some cases, in fact in most of these cases that are now being reported and where large numbers of recalls are involved, the defects would not have shown up at the time of manufacture even if there had been inspectors in the plant. They are defects which became apparent only after considerable testing in the field.

Mr. S. J. Korchinski (Mackenzie): A supplementary question, Mr. Speaker. Would the Minister of Transport inform us whether the owners of these cars have to assume that they can go to any dealer and have these corrections made, or must they wait for a formal invitation to attend at certain places for the corrections?

Mr. Hellyer: I cannot say what the procedure would be in every case, but certainly in the more serious cases I have been informed that the owners will be notified by registered mail and an indication given as to where they should report to have remedial measures taken.

Mr. A. D. Hales (Wellington): A supplementary question to the Minister of Transport, Mr. Speaker. In view of the fact that a number of these vehicles are school buses, does the minister not feel he should take immediate action in connection with these particular vehicles?

Mr. Hellyer: Mr. Speaker, immediate action is being taken by the manufacturers.

HEALTH AND WELFARE

SHORTAGE OF MEDICAL DOCTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare, but in his absence I direct it to the acting minister or the Prime Minister. In view of some divergence of views on the medical manpower situation, the apparent jungle of indecision and the extreme urgency of this problem if medical schools are to operate during the summer months, would the minister state whether he has discussed this urgent problem with the ministers concerned in the provincial governments?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I shall take that question as notice and call the minister's attention to it.

[*English*]

CONSUMER AFFAIRS

ALLEGED IMPROPER CHARGES FOR AUTOMOBILE SAFETY INSTALLATIONS

Mr. Ed Schreyer (Selkirk): I have a supplementary question for the Minister of Consumer and Corporate Affairs. I should like to ask him whether his department has under-

taken a systematic investigation of the complaints and allegations that the automobile manufacturers are over-pricing in what they are charging for the installation of safety devices in automobiles.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

LABOUR RELATIONS

WOODS REPORT—INQUIRY AS TO IMPLEMENTATION

Hon. George Hees (Prince Edward-Hastings): I would like to address a question to the Minister of Labour. Can he advise the house when he expects to be in a position to table the report of the Woods committee studying labour relations.

Hon. Bryce S. Mackasey (Minister of Labour): It is my intention to table the Woods report in English and in French no later than next Wednesday in order that all hon. members may have the opportunity to study it over the Easter recess.

TRADE

TEMPORARY CURTAILMENT OF LOG SHIPMENTS TO JAPAN

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I want to direct a question to the Minister of Fisheries and Forestry with reference to a question he answered last week to the effect that the principal exporters of logs in British Columbia had voluntarily agreed to withhold any exports for at least six months in order to meet domestic requirements. I should like to ask the minister whether the Department of Industry, Trade and Commerce or any other department of the government is concerned with this voluntary arrangement, or does the minister's own department intend to supervise this matter?

Hon. Jack Davis (Minister of Fisheries): My own department is following this matter together with the Department of Industry, Trade and Commerce, which has an official in Vancouver who grants exports permits and keeps a very close tab on the export of logs from B.C. This movement of logs to Japan is being carefully reviewed at all times.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. Can the minister assure the house, in the event that the voluntary commitments are not kept, that export licences will be withheld?

[Mr. Schreyer.]

Mr. Davis: We will keep the situation under review and take appropriate action if that occasion arises.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

MEDICARE—DISCUSSIONS WITH THE PREMIER OF ALBERTA

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask a question of the Prime Minister.

Can he tell the house what results are expected from the discussions he had yesterday with the premier of Alberta, Mr. Strom, on medicare? Does he expect some changes to suit that province?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Premier Strom and myself were agreed to disclose the subject, but not the detail, of our discussions. I believe Premier Strom has already indicated that we talked about oil, wheat and medicare; however, it would be inappropriate for me, since he asked me to meet him, to divulge more than was agreed between us.

[*English*]

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. As Premier Strom indicated that he is going to table in the Alberta legislature on Thursday a report of his meeting with the Prime Minister, will the Prime Minister give the House of Commons the same report that is being tabled in the Alberta legislature?

Mr. Trudeau: I was shown a report on the oil policy by Premier Strom for my consideration. What he wants to do with it is of course his choice. If he decides to make it public and he has no objection to my doing so I will gladly make it public. I do not know if the house would be interested in having copies tabled and I am not sure it would be the regular procedure for us to table provincial documents. However, if this is what the house desires and if Premier Strom has no objection, I will certainly table the report. However, I wonder how long it will take Premier Strom to have it translated into French.

[*Translation*]

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker.

Further to the Prime Minister's reply regarding Medicare, does he expect the provincial Minister of Health to meet the Minister of National Health and Welfare in order to ascertain if an agreement is possible?

Mr. Trudeau: Yes, Mr. Speaker. Such meetings have already begun and I believe they are in progress at the present time. This is one of the reasons why the Minister of National Health and Welfare is not in the house just now. Premier Strom and myself are aware of the two ministers' meeting and may I repeat that it is going on right now.

Mr. André Fortin (Lotbinière): Mr. Speaker, in reference to the previous question and to a statement made yesterday by the premier of the province of Quebec, could the Prime Minister tell us whether the province of Quebec has been consulted about those negotiations with the provinces?

Mr. Trudeau: Mr. Speaker, there are no negotiations with the provinces. It is for those who wish to take advantage of the federal legislation to negotiate the terms with us as well as the date of its coming into force. On behalf of the government, I am willing to say publicly to Premier Bertrand that the more he will hasten to discuss with us the coming into operation of medicare in the province of Quebec, the more we will be pleased.

Mr. Fortin: Mr. Speaker, I would like to ask a supplementary question.

Could the Prime Minister tell the house if the province of Quebec has officially refused to participate or if it is willing to discuss the matter with the federal government?

Mr. Trudeau: Mr. Speaker, I think it is important to reiterate to the house that before the legislation was passed, the province of Quebec had expressed through its government its intention to participate in the medicare plan. The federal government passed the law as a result of those consultations. Of course, the province is free to change its mind but the federal legislation remains in the statute books and in force.

[*English*]

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSIONS IN SWEDEN AS TO RECOGNITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he can tell us how the negotiations are going on in Sweden between Communist China and Canada's representatives with respect to the recognition of Communist China, and whether he might tell us something of the peek-a-boo performance that took place there the other day when the Canadians were required to demean themselves because the Communists were not sure they were entitled to credibility.

Hon. Mitchell Sharp (Secretary of State for External Affairs): The only part of the question to which I can give an answer is the first part, that is that negotiations are going slowly.

Mr. Diefenbaker: I asked the second question because I wanted to join the hon. member for York West (Mr. Givens). Did the minister read the other day that the hon. member for York West complained that, when we want to get information, the way to get it is not in parliament but outside in front of the TV cameras?

Mr. Speaker: Order, please.

PUBLIC BUILDINGS

BATH-MILLHAVEN FEDERAL PRISON COMPLEX

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question arises from the authorization given by the Minister of Public Works on Tuesday, February 25 that restitution be made by Argo Incorporated, general contractors on the Bath-Millhaven federal prison contract for n.s.f. cheques issued for labour by the now extinct subcontractor, D. Leblanc Incorporated.

Since there are also some n.s.f. cheques from the same firm now held locally for services to the personnel of this company, will not the minister also recognize these for restitution?

Mr. Speaker: The hon. member is making a submission which he has to assume will be taken into account. If he feels the matter should be discussed further, he might have a second try at putting the question, in view of the fact that it has already been discussed at the time of adjournment, a few weeks ago.

Mr. Alkenbrack: I will bring it up again at ten o'clock, Mr. Speaker.

CONSUMER AFFAIRS

REPORT RESPECTING GROCERY PRICES ON PRAIRIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. Did the minister attend a meeting with the attorneys general of the three

prairie provinces on Monday in Winnipeg to consider the implications of the Batten report on prairie retail food prices, as he indicated he would be doing in his reply to my question of last Thursday? If so, can he give the house some indication of what action his department may be directed to take as a result of the discussions?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, actually it was not the three attorneys general whom I met, but rather the three provincial ministers responsible for consumer affairs: The attorney general from Saskatchewan, the minister of industry and tourism from Alberta and the minister of consumer and corporate affairs from Manitoba. I had a most useful meeting with the three ministers, all of whom seemed to approve entirely the action that I was taking.

ADMINISTRATION OF JUSTICE

JOHN SMITH—REFUSAL TO DIVULGE SOURCE OF INFORMATION

Mr. Arnold Peters (Timiskaming): I have a question for the Minister of Justice. In view of the support given by all parties in the house to Bill C-15 which would protect the source of information of news reporters, will the Minister of Justice consider the recent sentencing in Montreal of John Smith, by a fire commissioner, for refusing to reveal the source of his information, with the view to granting of a full pardon?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I suppose that that matter falls within provincial jurisdiction, under provincial statute. However, certainly the principles involved in that inquiry interest me a great deal. The hon. member will appreciate that since this case is currently before a board I can say nothing more at the present time.

AGRICULTURE

TOMATOES—STABILIZATION OF CANADIAN PRICE

Mr. H. W. Danforth (Kent-Essex): I should like to direct my question to the Minister of Agriculture, Mr. Speaker. Since Canadian producers will be in a position in a very few days to provide top quality tomatoes for the domestic market, can the minister say whether the government plans to initiate any action to stabilize the Canadian price, now abnormally depressed because of considerable quantities of low priced imports of this commodity?

[Mr. McGrath.]

Hon. H. A. Olson (Minister of Agriculture): We are aware of significant changes in the price of imported tomatoes and we have this problem under active consideration. However, I am not prepared today to announce any specific steps to deal with it.

EXTERNAL AFFAIRS

HARBOURING OF DESERTERS IN CONTRAVENTION OF ALLIANCE AGREEMENTS

Mr. Jack McIntosh (Swift Current-Maple Creek): Some days ago, Mr. Speaker, I directed a question to the Secretary of State for External Affairs. It was in two parts. The first was:

> Are there any provisions in Canada's collective alliance agreements which prohibit Canada's harbouring deserters from nations associated with Canada in such alliances?

The second part was:

> Have any discussions been held on this question between the authorities of the United States and Canada?

I wonder whether the minister has a reply to make to these questions today.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. The answer to the first part of the question is that the only relevant provision in Canadian collective alliance agreements is that contained in the NATO status of forces agreement. However this agreement is limited in its application to NATO forces on official duty in receiving states, in this case Canada. The answer to the second part of the question is that there have been no recent discussions on the subject between the authorities of our two countries.

DOMINION-PROVINCIAL RELATIONS

RECONSIDERATION OF DISCUSSIONS ON SPENDING PRIORITIES

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance, who no doubt is fully familiar by now with the substantial tax increases announced in the legislature of New Brunswick last evening, including a 10 per cent surtax and a wide range of increases in sales taxes, whether in these circumstances he would reconsider his refusal to discuss priorities in spending with this and other provinces, in a meaningful way.

Hon. E. J. Benson (Minister of Finance): We have at all times been willing to discuss priorities. When the hon. gentleman indicates

he is willing to give additional revenue by way of tax abatement to the provinces, which is what he is really talking about, is he willing to support further increases in federal taxation, considering he is in favour of balancing the budget?

Some hon. Members: Hear, hear.

Mr. Stanfield: I am sure the minister's attention has been drawn to the very serious criticisms of his financial policy contained in the budget of the New Brunswick government, accusing the federal government of inconsistency, lack of willingness to co-operate—

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Benson: On a question of privilege, Mr. Speaker. This subject is on the agenda of federal-provincial conferences and we discuss these matters there. I have heard the same criticism from the hon. gentleman, with about as much justification.

GRAIN

INTERNATIONAL GRAINS ARRANGEMENT—REQUEST FOR REPORT ON PRICES REVIEW COMMITTEE

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Minister of Agriculture, Mr. Speaker. In view of the fact that officials from both the hon. gentleman's department and the Department of Industry, Trade and Commerce are representing Canada at the meeting of the International Grain Arrangement prices review committee in London, may I ask whether the minister is now in a position to report to the house on the progress of this meeting?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, but I expect we shall have a report soon.

Mr. Nystrom: I should like to ask the minister what instructions were given to Canadian officials putting forward representations in London.

Mr. Olson: As the Minister of Industry, Trade and Commerce pointed out the other day, this is a routine meeting of the kind held from time to time to review prices and other matters respecting the agreement. I do not think it would be prudent for us to make public any discussions which representatives may have had with their ministers.

[*Translation*]

ADMINISTRATION OF JUSTICE

HAL BANKS—POSSIBILITY OF RENEWING EXTRADITION PROCEEDINGS

Mr. Bernard Dumont (Frontenac): I have a question for the Prime Minister.

Can he tell the house whether or not, when he goes to the White House on March 23 and 24, the matter of extraditing Hal Banks from the United States to Canada will be brought up?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe there will be much more important matters to discuss with the President of the United States than the particular case of Hal Banks.

[*English*]

[*Later:*]

Hon. George Hees (Prince Edward-Hastings): My question is directed to the Minister of Justice, Mr. Speaker. Since the latest reports from Washington indicate that the government of the United States would now be willing to extradite Hal Banks, if the Canadian government were to make a new application, can the hon. gentleman tell us whether the government has any intention of making such an application?

Hon. John N. Turner (Minister of Justice): The law has not changed since the election, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Hees: Is the reluctance of the government to move in this matter the consequence of some debt or obligation which it feels it owes to Mr. Banks? Yes or no?

Mr. Speaker: Order, please.

[*Translation*]

HEALTH AND WELFARE

REQUEST FOR STATEMENT ON RECREATIONAL POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of National Health and Welfare. As he is not in the house, I shall direct it to the Prime Minister.

The Quebec Minister of Tourism stated on March 13 that a proposal made last January to the Minister of National Health and Welfare concerning the financing of organized leisure was left unanswered; in view of that statement, could the Prime Minister tell us whether his government has made a decision and, if so, what it is?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall have to inquire about this and, when the minister is in the house, I shall ask him to answer the question.

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION

AVAILABILITY OF COMMONWEALTH TRUST CORRESPONDENCE

Mr. Ray Perrault (Burnaby-Seymour): This question is directed to the Minister of Finance, Mr. Speaker. In view of the great public concern with respect to Commonwealth Trust, is the minister willing to propose to the Canada Deposit Insurance Corporation that correspondence with Commonwealth Trust be made available to any provincial commission of inquiry, judicial or legislative?

Hon. E. J. Benson (Minister of Finance): I would have to take this matter under consideration and discuss it with the Superintendent of Insurance. However I should like to make it quite clear that the matter of Commonwealth Trust is being kept under constant review by the C.D.I.C. Moreover it was not the federal government which recommended that the government of British Columbia put money into the company.

FISHERIES

SEALS—POSSIBILITY OF RE-OPENING HUNT

Mr. David MacDonald (Egmont): I have a question for the Minister of Fisheries, Mr. Speaker, related to questions raised in the house in the last two or three days. Did the minister receive a communication this morning from representatives of those involved in the seal hunt to the effect that there is in fact a large resource of seals in the gulf north of Prince Edward Island? If so, is the minister taking steps to ascertain whether this information is correct, and possibly to reopen the hunt until the quota has been reached?

Hon. Jack Davis (Minister of Fisheries): We have rechecked the situation and found that the number of seals in the gulf is very small, roughly one quarter of what it has been in previous years.

SEALS—ACTIVITIES OF FOREIGN SHIPS DURING CESSATION OF CANADIAN OPERATIONS

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Has the department taken any action as yet against the five Norwegian vessels which were found in Canadian territorial waters as reported to the house yesterday?

Hon. Jack Davis (Minister of Fisheries): There are presently four vessels inside our territorial waters; they are stuck in the ice. They are not taking seals. Canadian vessels are taking seals in the same area.

TRANSPORT

MEETING WITH HUDSON BAY ROUTE ASSOCIATION

Mr. S. J. Korchinski (Mackenzie): I wish to address a question to the Prime Minister. Has the right hon. gentleman received a request from the Hudson Bay Route Association to meet with him, and will he indicate the nature of his reply?

Right Hon. P. E. Trudeau (Prime Minister): I did receive a request from the association, and because the subject matter concerned the Minister of Transport rather than myself I asked my colleague to meet with them. He intends to do so, soon. This does not preclude a meeting which I may have with them later; I hope to have one this summer, and I have begun to make plans to that effect. But the immediate problem is one which will be dealt with by the Minister of Transport.

Mr. Korchinski: Did the Prime Minister's decision hinge upon a report which was prepared last fall for the Department of Transport dealing with a possible extension of the season next year?

Mr. Trudeau: No, Mr. Speaker. My desire to see people does not hinge on such things as that.

LABOUR CONDITIONS

ALTERNATIVE TO COMPENSATE FOR CANCELLED WINTER WORKS PROGRAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Minister of Manpower and Immigration may I direct my question to the Prime Minister. It has to do with the unemployment situation and with representations made by the Association of Canadian Reeves and Mayors. Has the government any alternative program to recommend in place of the winter works program, which was cancelled unilaterally, in order that municipalities may be assisted in various capital projects in the fields of housing and pollution control?

Mr. Speaker: Order, please. The hon. member is asking the minister to make a statement, which I suggest cannot be done at this time.

Mr. Rose: On a point of order, Mr. Speaker. Your Honour ruled a similar question out of order on March 12. The question was posted to be debated on the adjournment debate of March 17. I raised the matter then but received no reply. I raised the matter again yesterday by way of a question of privilege and received no reply then. Therefore, Mr. Speaker, may I again transfer this question to the adjournment debate, in the hope that it will be debated as soon as possible and that I shall receive a satisfactory answer at that time.

Mr. Speaker: I assure the hon. member that his question will be considered carefully and will be put on the agenda of questions to be considered at the time of adjournment as quickly as possible.

[*Translation*]

IMMIGRATION

ASSISTANCE TO FRENCH SPEAKING WORKERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Since in the Quebec City and Montreal areas immigrant workers are subsidized to learn English, can the French Canadians of those areas expect to receive the same advantages soon?

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, I will answer that question.

I am surprised that it has been asked in that form, but I will take it as notice and the minister will answer it when he is here.

[*English*]

PUBLIC SERVICE

NEGOTIATIONS AS TO FREEDOM IN ARRANGING WORK SCHEDULE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the President of the Treasury Board. Will he say whether, in its negotiations with the Public Service Alliance of Canada, Treasury Board is demanding complete freedom to require employees to work any schedule of hours or shift. Also, is Treasury Board demanding the right to make unilateral changes in present, standard working conditions not covered by a contract, without any negotiations being entered into?

Mr. Speaker: Order, please. The hon. member ought to place that question on the order paper.

GRAIN

WHEAT—DISCUSSIONS WITH ALBERTA PREMIER

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. Can he say whether he or his colleague, the Minister of Industry, Trade and Commerce (Mr. Pepin), held any discussions with Premier Strom of Alberta during his current visit to Ottawa respecting the serious situation facing Canadian wheat farmers. If so, what determination if any was made?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the answer to the first part of the question is yes. The answer to the second part is that I do not believe private conversations should be made public.

NATIONAL DEFENCE

NATO—RECIPROCAL TROOP STRENGTH REDUCTIONS WITH WARSAW PACT COUNTRIES

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has he, along with his officials, studied carefully or shown any interest at all in the proposal made last evening by the Soviet Union that there be reciprocal reductions in troop strengths on the part of Warsaw pact and NATO countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I hope this news is correct, because the NATO powers made similar proposals many months ago.

AGRICULTURE

REQUEST FOR DAIRY POLICY ANNOUNCEMENT

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. Since the Congress on Agriculture will begin its meetings on Monday, will the minister agree to announcing the government's 1969-70 dairy policy this week, so that it may be considered at the congress?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, dairy policy will be considered

at the congress. Indeed, a paper on the dairy industry prepared by the task force has now been circulated. However, I cannot give an undertaking that the specific requirements for the 1969-70 dairy year will be ready by Monday. We hope it will be available before the year begins on April 1. I ought to point out that consideration of these kinds of policies by the agricultural congress are not considerations of day to day operations. Instead, they seek to set down guidelines for the future.

REGIONAL DEVELOPMENT

REQUEST FOR PUBLICATION OF STUDY ON NOVA SCOTIA COUNTIES

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, my question is for the minister who will be responsible for regional economic development. Has he received a request from the Minister of Agriculture of Nova Scotia to make public the study on the nine eastern counties of Nova Scotia. If so, what decision has he reached on the matter?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I have received such a letter.

Mr. MacEwan: A supplementary question, Mr. Speaker. What decision has the minister come to on the question of making the study public?

Mr. Marchand (Langelier): Mr. Speaker, I received the letter yesterday and I indicated that we do not think in my department that we should publish those reports. We shall ask for the opinion of the Nova Scotia Minister of Agriculture on this point. If his opinion is in the affirmative, we shall come to a final decision then.

AIR CANADA

UPGRADING OF MEAL SERVICE

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of Transport. Will he investigate the activities of Air Canada with a view to upgrading meals served on flights?

Mr. Speaker: Order, please.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, as I have been waiting since the very beginning to put my question, I forgot it through impatience.

[Mr. Olson.]

CABINET OF THE PRIME MINISTER

REFERENCE TO STATEMENT BY ASSISTANT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a question to the Prime Minister.

Could he tell us whether he agrees with one of his first lieutenants, Mr. Pierre Levasseur, who is responsible for establishing the regional desks?

Mr. Speaker: Order. The question as put is out of order. The hon. member is aware that he cannot ask whether a minister agrees with a statement, an expression or an opinion coming from an official.

Mr. Rondeau: On a point of order, Mr. Speaker. I submit that a certain statement made by one of the Prime Minister's first lieutenants was an insult to hon. members of this house. In fact, he stated that 90 per cent of the hon. members' work in the house could be done by business machines. So, I would like to know if the Prime Minister approves that statement.

Mr. Speaker: The hon. member's question could perhaps be a point of privilege, but I do not think his question is in order at this time.

Right Hon. P. E. Trudeau (Prime Minister): On this same question—

Mr. Speaker: Is the Prime Minister rising on a point of privilege?

Mr. Trudeau: Somebody raised a point of order, Mr. Speaker. If Your Honour will not permit the discussion to continue, I accept your judgment, but I want to rectify—

Mr. Speaker: Order, please. I suggested to the hon. member for Shefford that the question as asked is out of order.

[*English*]

ATLANTIC DEVELOPMENT BOARD

CARRYING OUT OF RECOMMENDATIONS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the minister-to-be of regional and economic development, the present Minister of Forestry and Rural Development. Will he carry out the final recommendations of the Atlantic Development Board to the effect that existing programs, including highway programs, ought not to be allowed to grind to a halt this year while the new department is getting under way in its work?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, we are presently studying those questions, and as soon as the new department is established, we will take decisions on that matter.

[*English*]

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Will the department also make public any plans it has for various sectors of responsibility based on recommendations of the Atlantic Development Board, in order that the work of the new department may be effectively evaluated?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, those projects have already been drawn to the department's attention. We will study them and decide what to do about them as soon as the department is established.

[*English*]

EXTERNAL AFFAIRS

ANGUILLA—CANADIAN POSITION ON BRITISH ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Secretary of State for External Affairs. Will he state at this time, or on motions later, what position Canada has taken on the apparent invasion of the island of Anguilla by Britain?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have taken no position.

Mr. Stanfield: That is the usual position.

Mr. Benson: The usual position of the opposition.

CANADA LABOUR (SAFETY) CODE

PROMULGATION OF RAILWAY REGULATIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. On Thursday of last week I asked him if he could say when the regulations under the Canada Labour (Safety) Code for the railway industry would be promulgated? Since it was not possible for him to reply on Monday I trust he is in a position to reply today.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I do not know whether the answer will satisfy the hon. member. As a result of his question I asked the department to give me a complete report. It is so complete that it runs to seven pages, and to read it I should have to ask unanimous consent of the house to revert to motions. I assure the hon. gentleman that rapid progress is being made in this field. I have asked the department to discuss the possibility of expanding staff in order that we may proceed more effectively. We anticipate that the entire regulations of the code will be completed within the year.

[*Translation*]

BANKRUPTCY

SHARING OF LOSS THROUGH INSURANCE PROCEDURES

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to ask a question of the Minister of Consumer and Corporate Affairs, of which I have already given notice.

In view of the large increase in the number of failures in the commercial field, which also cause many failures in industry, involving small and average businesses mostly, would the hon. minister consider establishing a shared-cost insurance plan similar to crop insurance for farmers, to protect industry and the governments?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. The provisions of the Bankruptcy Act are now being studied by a special advisory committee. I hope to have their report this year at which time we will be introducing a revision of the Bankruptcy Act. I doubt that the committee will recommend a creditor's insurance scheme similar to crop insurance.

FISHERIES

SEALS—REQUEST FOR REASONS FOR CANCELLATION

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a supplementary question to the Minister of Fisheries. In view of the considerable disagreement which seems to exist regarding the actual number of seals in the northern area close to Prince Edward Island and the loss of income to fishermen in that area, is the minister prepared to make a statement to the house tomorrow indicating in some detail the exact reasons for which the hunt has been cancelled? Would he also provide the exact number of seals located in that area?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I will be glad to communicate with the hon. member in this connection.

Mr. James A. McGrath (St. John's East): I rise on a point of order, Mr. Speaker. It arises from the reply I received today from the Minister of Fisheries, which is similar to his reply to my question yesterday. It is completely and totally at variance with the reply given by his parliamentary secretary in the house on Monday, March 17, which can be found at page 6687 of *Hansard*. It is also completely and totally at variance with information I have received from Canadian sealing skippers off the Labrador coast. According to the custom of this house, Mr. Speaker, I think the minister owes hon. members an explanation; otherwise he stands accused of misleading the house.

Mr. MacDonald (Egmont): Mr. Speaker, in relation to the point of order raised by the hon. member for St. John's East, one of the difficulties is that a good deal of information has been communicated at different times to different people outside the house, which has resulted in considerable confusion. It is important that the house have a very full and complete statement from the minister tomorrow.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

The house resumed, from Thursday, March 13, consideration in committee of Bill C-173, respecting the organization of the government of Canada and matters relating or incidental thereto—Mr. Trudeau—Mr. Faulkner in the chair.

The Chairman: House again in committee of the whole on Bill C-173. When the committee rose on the morning of March 14 clause 54 had been called, clauses 20 to 40 and 55 to 70 having been allowed to stand. Shall clause 54 carry?

On clause 54—*Definitions.*

Mr. Rynard: Mr. Chairman, I would like to make a few comments on this clause. The discovery and transformation of knowledge into viable technologies has clearly made possible enormous gains in human welfare and living standards in all the developed countries of the world. The way in which advances in knowledge and technology bear on the process of economic growth and the rate of increase in productivity is becoming more widely recognized.

What are the factors which determine the economic process? Generally speaking, a person works with an idea which becomes a fact. The fact becomes an invention and from that you have a tool and from that you go on to production. Until the 1920's there was very little research or discovery in Canada. The first major breakthrough medically was the discovery of insulin by Doctors Banting and Best. This is something of which Canadians can be very proud. I refer to it because it establishes a fundamental fact, that we in Canada with our universities and schools are quite capable of taking our place in the research field. There are those who doubt the wisdom of this or tend to copy research done in other countries. I have in mind the drug bill, C-102, which we have been discussing; a great deal of the research may be done in countries other than Canada. Yet one need only look back over the last 25 years to see the drugs that have been developed. One can recall another Canadian discovery, parathyroid extract by Dr. Collip. Those years were a brilliant page in medical discoveries through research.

Some people feel that research is too expensive for a country such as Canada. I say to such people that drug research has risen from zero to the point where approximately $12 million per year is now being spent. In our medical research we are spending $25 million. A great deal of the teaching in universities is done by people carrying on research. If opportunities for research are not available, the universities simply will not be able to get teachers. The capable, qualified men are not interested in teaching alone.

• (3:10 p.m.)

When we look to our neighbour to the south, whence comes most of our competition in manufacturing and other fields, we discover that the number of university graduates in almost any given field in the United States is almost double that in Canada. As long as this situation continues we will be drawers of water and hewers of wood. We must develop and encourage research. Better economic standards are derived from research. We should remember the good that research has

achieved in Canada. We should remember the drugs that have been developed in Canada and the lives that have been saved because of research. Economics are tied in with research—the economics of sickness.

Up to 20 years ago about 30 per cent of all the people who developed pneumonia died of it. Many of them were in the 25 to 40 age group. Those of us who practised medicine in those days remember how we waited five to nine days for the crisis to come indicating that the patient had overcome his infection. But even if a patient did recover he sometimes ended up with pus in his pleural cavity and had to be hospitalized to have an operation to remove a rib and drain the pus. Today the pneumonia mortality rate has dropped from 30 per cent to 5 per cent and the morbidity rate has dropped even lower. In a matter of days we can have a patient back at work looking after his own business, and without the necessity of going on welfare. The economics of this are self-evident. This is what we have to consider. We should not be penny-wise and pound foolish.

Our future economic development depends to a great degree on the development of life-saving drugs, not only in the cancer field where the death rate is one out of seven afflicted but in the field of virology. There is also the economic loss due to mental disease. Just the other day an outstanding medical authority made the statement that in Canada 50 per cent of the people are mentally ill to some degree at one time or another.

Today, because of the lack of research and sufficient medical schools, we face a medical manpower shortage. I feel that parliament is becoming callous about this problem, and even some of the people who work in medical practice are becoming callous about it. People are dying in Canada today who would not lose their lives if adequate medical care were provided for them. I will go further on this matter, and I point out that I am not being politically critical. This government passed medicare without due consultation with the medical people across Canada.

I have here a brief report by the Canadian Medical Association which states:

> Following our annual meeting in June our president wrote to the Minister of Health asking that greater flexibility be provided in the federal proposals to allow provincial governments more latitude in the use of private insurance carriers. We also asked the minister to reconsider the universal coverage requirement in his proposed program—

> Following the announcement of the legislation on July 12, a meeting of our divisional representatives was held and a draft of our comments on the bill was sent to our executive committee, C.M.A. divisions and to the Minister of Health and his deputy. We were concerned because some sections of the bill were ambiguous and required clarification. Also our officials determined from a meeting with the Deputy Minister that the method of government administration was much more rigid than we expected.
>
> The legislation was passed without any meaningful amendment... On November 10, 1967, our president wrote the following letter to the Honourable Mitchell Sharp, then Minister of Finance:
>
> "We are aware that you are meeting with the provincial treasurers next week and that the financial aspects of the proposed medicare program will likely be one of the subjects under discussion. Our provincial divisions have informed us about the economic problems of their governments in financing such a large undertaking in view of their other pressing priorities."

The Canadian Medical Association made certain suggestions. The minister knows them as well as I do. One of them was that the Canada Assistance Plan be used to provide for some of those people—

Mr. Munro: Mr. Chairman, may I ask the hon. member a question? First, dealing with medicare, I would like a ruling from the Chair. I do not know what particular relevance it has to the Medical Research Council, but if you rule it is in order and does have some relevance then I would like to ask the hon. member a question concerning it.

The Chairman: I am in the hands of the committee. My suggestion would be that under Part VIII, Medical Research Council, a discussion of medicare should not come up. On the other hand, there was agreement that on the first clause of each part a wide-ranging debate should be allowed. In my opinion this puts the Chair in a rather difficult position to make a ruling. I would simply suggest that we try to avoid a detailed debate on medicare.

Mr. Aiken: On the point of order raised by the minister, Mr. Chairman, I do not believe that the hon. member was ranging into the question of medicare except as it is related to the Medical Research Council. I did not understand him to be undertaking a debate on medicare, and I think he should at least be able to refer to it.

The Chairman: I think that would be a fair compromise.

Mr. Munro: Then could I ask the hon. member a question? I know he is well able to take care of himself in these matters. If this

matter is in order I would ask the hon. member this question. He referred to medicare. My understanding is that he has asked questions in the house indicating that he is desirous of having its coverage extended, and I believe that he and his party supported the measure when it came before the house. Unless I am wrong I understand he supports medicare. Is that correct?

Mr. Rynard: Mr. Chairman, I am delighted to see the minister get up and state what he stated because he referred in his Hamilton speech, if I remember correctly, to this point. He knows where I stand on that question as well as I do. He also knows what I am getting at. Coming back to what I was saying, I point out that the suggestion was that the Canada Assistance Plan be used to pay the premiums for those 28 per cent to 30 per cent who find it very difficult to meet their medical needs. As the Canadian Medical Association points out:

The governments of Ontario, British Columbia and Alberta have demonstrated a realistic workable approach to the provision of medical care insurance.

• (3:20 p.m.)

It continues:

Mr. Trudeau assumed the leadership of the Liberal Party in April, 1968, and since that time has said very little about medicare. During the election campaign he stated that "medicare was the law of the land".

Farther on we find this:

On July 1, 1968, two provinces—British Columbia and Newfoundland—joined medicare. Eight provinces did not. Four of these indicated that they would initiate medicare programs in 1969, but the remaining four—including the two most populous provinces, Ontario and Quebec—made no commitment and the Prime Ministers and the Ministers of Finance of Ontario and Quebec have indicated on a number of occasions that medicare is far down their list of priorities.

They just cannot afford it. Then it says:

We have never been able to meet with the Prime Minister to discuss with him essential matters of policy—

These are the men with whom the government must work. They are the men who will have to put up with medicare and make it work. I think there will be problems no matter how hard the medical men try to make it successful, but nevertheless the co-operation of that group is essential. They say they have never been able to meet with the Prime Minister. Then they go on to say:

In recent weeks our Association has been greatly concerned with statements in the public press, attributed to federal and provincial government leaders as well as business leaders, relating to the cost of medical services insurance. We think it is time the Canadian Medical Association had an opportunity of discussing the problems and solutions of medical care insurance with you and your ministers.

We would like to refute such public statements as that made by your Minister of Finance who stated: "We need medicare because private enterprise, which serves the country best in so many fields, cannot bring comprehensive coverage at reasonable cost to the bulk of the population." He also implied that the increase in doctors' fees has been the main reason for the rising cost of health care.

There are many reasons for the rising costs of medical care, the chief one of which is the increasing utilization of medical services generated largely by the public, but to some extent by the medical profession. This has been well demonstrated in the United Kingdom and in Saskatchewan. On the other hand, the increases in medical fees have not been greater than increases in the wages and salaries of other Canadians.

We would also like to point out the problems of delivering medical care to the people of Canada, under the universal program your government is advocating, when the supply of the presently overburdened doctors—

I want the minister to take careful note of this.

—will remain constant for some time. It would be much less costly and more to the point to assist those people who are now not covered with medical care insurance because of the lack of funds or other reasons.

I hope you will give us the opportunity, in the near future, to meet with you and your appropriate ministers in order that our Association may present to you the problems of providing medical care to the people of Canada, and some practical solutions to your medical care program.

Mr. Munro: All right, you have put it on the record.

Mr. Rynard: I continue:

To date we have received no indication that the Prime Minister intends to meet with us.

This is not an old publication I am reading. It is dated March 8, 1969.

We believe that our desire to meet with him and senior members of his cabinet is a reasonable request. These are the persons who collectively establish governmental policy on a wide range of matters which are extremely important to the profession—manpower, allocation of funds for hospitals, medical research—

Here we are at medical research.

Mr. Munro: You finally got there.

Mr. Rynard: I continue:

As the voice of organized medicine in Canada we believe that we have a responsibility to present to the Prime Minister and his cabinet the views of the profession on these important matters.

There has been a flat refusal by the Prime Minister to meet with the very men who will be working under medicare. I think even the minister agrees that this is wrong. I see him smiling.

I should also like to say that I read with a great deal of interest the speech the minister made the other night in Hamilton. While it started off as a mythical story there were some points in it that were worth considering, as well as some errors. For instance, he referred to the 1,200—I believe that is the figure, and he can correct me if I am wrong—immigrant doctors. He conveniently forgot, however, to state how many of those doctors are permitted to practise in Canada. He did not mention how many of them have qualifications which are high enough to permit them to practise in the Dominion of Canada. The minister forgot to mention that. He forgot to tell us how many of these doctors have added to the medical manpower of Canada.

I should also like to ask the minister whether he thinks it is fair that we should be educating and training only about two-thirds the number of doctors that are sufficient to look after the people of Canada. I might also ask him whether he thinks it is fair that we should draw doctors from the have-not countries. I should like him to answer this question because it bothers me a great deal. Why we should draw doctors from countries like India and Pakistan where the standard of living is low and where in India, for instance, there is only one doctor for every 7,000 people.

I believe our medical schools are among the best in the world. I do not think we need take second place to any country. I admit there is a very high standard in the medical schools in the United States, but I think our standard is exceptionally good. If we are to admit students from other countries who do not have the necessary qualifications and then turn them loose here to practice, we might ask ourselves, what are we doing to the quality of medicine in this country and what will the end result be? These are the questions to which I should like to have some answers.

The minister went on to state, and I agree with him, that expertise has risen very rapidly. This is a very good statement because it is a statement of fact. About the time of the second world war the number of doctors who were specialists was 20 per cent. I believe the minister stated in his Hamilton speech that the figure is now 50 per cent in respect of those who enter the specialty field. He also mentioned superspecials and so on. It is my hope that the minister will meet with the health ministers of the provinces and the officials of the medical schools so that the cards may be laid on the table. Someone should say that if we are overpopulated with specialists we will do something about it because it is the Canadian people who largely are paying the shot with regard to the cost of operating medical schools. I agree with this, but I also believe the minister should meet with the proper officials and say that there is a problem in respect of medical care which must be met.

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member have the permission of the committee to continue?

Some hon. Members: Agreed.

Mr. Munro: May I include a rider that the hon. member talk about the Medical Research Council for a few minutes.

• (3:30 p.m.)

Mr. Rynard: Thank you, Mr. Chairman. The whole crux of this matter is involved in the area of research, and it is in this regard I wish to conclude my remarks. It is medical research and associated efforts that result in trained doctors. The minister has allowed a cut-back in the health resources fund which provides the resources for the training of those doctors we so badly need.

I commenced my speech by referring to the finished product. This is what medical research is doing in respect of training doctors. The minister and the government have said in effect that we have enough doctors. This must be their opinion or they would not have brought in medicare.

I was in this house when we created the medical research fund. It was our intention at that time to provide assistance to the university complexes across the country. The hon. member for Nanimo-Cowichan-The Islands was in the house at that time and I recall, if my memory serves me right, that the minister stated the health resources fund would provide the facilities to train the doctors. This was a recommendation of the Hall commission report. We are not training enough doctors and we do not have enough doctors,

regardless of what the minister says. Obviously he has not met with the Canadian Medical Association because the members of that body know very well there are not sufficient doctors. Compare the results with countries like Sweden, the U.S.A., the U.S.S.R., etc.

As I said before, many people in this country are losing their lives because they are not able to get necessary medical care in an emergency. We have heard a lot of talk about paramedical services. I was happy to hear the minister admit that we should continue a program along these lines. He discussed this matter when he was in Hamilton recently and I am sure that he and I feel the same way about the need for increased paramedical services.

However, nothing can take the place of a well trained doctor. No matter how well trained an immigrant doctor is he cannot be expected immediately to meet our high standards and way of life. These doctors do not have the background in many cases or the training we have in our medical centres. Our Canadian population is entitled to the best medical care we can give them. It is a fraud and a fallacy to bring in a medicare plan that does not provide the medical care the people are paying for under the plan. There is not one university with a medical faculty not aware of the fact that there are not enough medical men in Canada at the present time. They all realize that our medical manpower is deficient.

The health resources fund was cut back by $37 million in Ontario alone. Buildings have been left uncompleted, plans have been derailed and hospital construction is almost stopped because this government is not prepared to go ahead with its plans to provide money for medical research and the training of teachers necessary to staff our medical schools in order to provide the medical manpower so necessary to the success of the medicare plan.

Mr. Skoberg: Would the hon. member permit a question? Will the hon. member indicate whether he is of the opinion that there is a shortage of doctors in Saskatchewan at this time?

Mr. Rynard: I think there is a shortage of doctors throughout Canada, in almost every province.

Mr. Skoberg: Would the hon. member answer the specific question in respect of the province of Saskatchewan which provided the first complete medicare coverage in North America?

[Mr. Rynard.]

Mr. Rynard: Mr. Chairman, I was speaking of Canada as a whole. I do not profess to know the situation in the province of Saskatchewan. I should not be expected to know what the situation is there, or whether there are three doctors in Estevan or only one or none. I was speaking of the broad picture across Canada. I expect that there may be a shortage of doctors in Saskatchewan. But let me point out to the hon. member that if my memory serves me correctly, half of the doctors in Saskatchewan were not born in Canada. If there is not a shortage there, perhaps this fact is the explanation.

Mr. Orlikow: Mr. Chairman, it is interesting that the lead-off speaker for the Official Opposition, the hon. member for Simcoe North, instead of discussing the Medical Research Council and problems in respect of medical research in this country, discussed the question of medicare. That is not the matter before the committee today. I do not intend to spend my time discussing the differences I have with the hon. member in respect of medicare. I do want to make one or two short comments about a specific matter referred to by him because I have some personal interest. I have in mind the question of immigrant doctors.

The hon. member said there are 1,500 immigrant doctors in Canada. He implied that their training and qualifications are not as good as doctors trained in Canada. I am not an expert on this subject, but the fact is that the bulk of these doctors work very hard in Canadian hospitals and provide excellent service. Many of our hospitals in urban centres such as Montreal, Toronto, Vancouver and Winnipeg could not operate in the efficient way in which they have or provide service without these 1,500 immigrant doctors.

The hon. member for Simcoe North did a disservice to these doctors and these hospitals by the remarks he made. If he does not, he certainly should know that it is not the federal Minister of National Health and Welfare who decides whether their qualifications and training are sufficient or adequate to permit them to practise in any particular province. It is the college of physicians and surgeons in each province that makes this decision. That college in the province of Ontario is very tough. As I have said outside the house, that college has not only been tough but in my opinion it has been prejudiced.

I should like to spend my time discussing the subject before us today, medical research and, under the clause of the bill now before us, the Medical Research Council. The bill gives the council a good deal more independence than it has had up to now, and it also makes permanent the change we made last year in that the Medical Research council reports and is responsible to the Minister of National Health and Welfare rather than to the scientific and industrial research council.

Members of this party have for some years taken the position that not only are we spending too little money on all forms of scientific research but we are making a basic mistake in not establishing a system of priorities. I intend to spend some time discussing our shortcomings in the field of medical research, which are the fault of the government, the cabinet and parliament itself because the government reports to parliament.

The secretary of the Treasury Board recently reported to the Senate committee on science that the amount we are spending on scientific research is too little. I think I would have to agree with him. We have had in recent years the HARP project at McGill university. This project was partially funded at first by the federal government but then those funds were completely withdrawn. The project has been moved to the United States. It is obtaining substantially more money there for its operation than it was receiving in Canada from all sources. The project seems to be going ahead at full speed.

• (3:40 p.m.)

There was the proposal to build an observatory in British Columbia. Suddenly that project was scrapped. There was the proposal to build an intense neutron generator, the ING project. I know there was a good deal of controversy in the scientific community about that project, but it had been recommended by the government. Suddenly it is out. Was there any evaluation by the scientific community of the value of that project compared with others? If there was, there has been no report at all to the scientific community or parliament.

The Minister of Energy, Mines and Resources announced some time ago that Canada was embarking upon an extensive and expensive oceanographic survey. I said then and I repeat that it is probably a very good scientific research project. But how does its value compare with that of other projects which have been turned down? We do not know. Nobody has been given the task of evaluating these projects. Nobody has been given the task of establishing a system of priorities. I suggest to the minister and the government that to have the Medical Research Council report to the Minister of National Health and Welfare, while other projects report to the President of the Privy Council, is a retrograde step.

I want to deal with the problem of medical research. I am sure the President of the Privy Council knows better than I how many detailed technical surveys have been made by various royal commissions and special committees which have reported to the government. I can think of the work done by the Royal Commission on Health Services, the Farquharson report. We had a report early in 1966 prepared by Wood, Gundy and Company Limited and endorsed by over 100 of our most prominent medical researchers, deans of medical colleges and heads of various departments of medical colleges all across the country. All these people have stressed the very serious short-fall in the amount of money and effort we have put into medical research.

Let me read just a couple of sentences from the Wood, Gundy report. The minister can find this passage on page 3. It reads as follows:

> Although financial support has been increasing, medical research in Canada today is being conducted on an inadequate scale. As the Royal Commission on Health Services commented: "available funds lag behind the amounts needed for the support of research."

We were moving in the right direction until this year. We have been increasing in recent years the amount of money made available to the Medical Research Council for distribution to various medical research projects across the country. We have been increasing the amount by 30 per cent a year. That was a very substantial increase. However, it was not as good as it sounds because, while the amount of money given to the Medical Research Council was increased by 30 per cent a year, other research funds which had been available through the Defence Research Board and the Department of National Health and Welfare were reduced.

I have been told by people expert in the field of medical research that had the increase of 30 per cent a year been continued it is likely that in the next three or four years we would have been approaching the amount that is required in this country. But what do

we find this year? We find that instead of the 30 per cent increase we have had in recent years the increase has been reduced to 14 per cent. Last year the Medical Research Council received $27 million; this year it is to receive only $31 million.

The decision to reduce the amount of increase was not made because the scientific community, the people conversant with the needs of medical research, reported to the government that they were attaining the position which ought to be attained, one where people carrying out useful medical research were having their needs met; it was made for narrow, purely budgetary reasons because of the government's decision to try to hold the line. This means that research funds which have been available in large amounts from the United States for medical research in almost every medical college in Canada are being reduced to the point where in the very near future they will be almost non-existent. The government of Canada is cutting back very drastically on the increases which obviously it had come to the conclusion would have to be made at the same time.

I was told only this morning by one of the top medical researchers at McGill University that this year the Medical Research Council is approving only about 55 per cent of the applications it is receiving for research grants. I do not say that 45 per cent of the applications are being rejected completely, but where applications are not being rejected the amounts requested are being cut very seriously. This is a disaster and an invitation to qualified people, trained in this country at great expense, to leave Canada and go to the United States where medical research has between 400 per cent and 500 per cent more money available to it than it has in Canada.

I can and will put on the record today some of the conclusions of the Wood, Gundy report which I mentioned earlier. But first I want to give the minister three examples of what this cut-back in the projected funds for research means. I received this information this morning through three telephone calls. I am sure that if I had stayed on the telephone for another couple of hours and called medical colleges across the country I could have cited not three but 30 or 300 similar examples. Let me put on the record some of the things I was told this morning.

I refer to the Department of Pharmacology at McGill University, and Professor Lowenthal, one of the top experts in anti-coagulants.

[Mr. Orlikow.]

The hon. member for Simcoe North can correct me if I am wrong, but I was told last week that about 50 per cent of the people who die do so as a result of heart or blood vessel failure. The use of anti-coagulant drugs is extremely important in saving the lives of people. Professor Lowenthal was persuaded to move from Queen's University to McGill where he is a full professor in biochemistry.

At Queen's University he was receiving grants from the Medical Research Council and the Ontario Heart Foundation. At McGill, where I am sure Professor Lowenthal expected to have at least the amount of money with which to carry out his research that he had received at Queen's University, he finds that while he is still getting the money which he received at Queen's University from the Medical Research Council, the 50 per cent of his research fund which he formerly received from the Ontario Heart Foundation is not available. As a result of the shortage of funds Professor Lowenthal, one of the top people in his field in the country, will be working next year with one arm tied behind his back, thanks to the niggardly policy of the federal government.

I spoke this morning to Dr. Selye at the University of Montreal, a world famous medical researcher. Dr. Selye tells me that of the $800,000 which his department expends only $80,000 comes from the Medical Research Council. Dr. Selye told me about a case which would be ludicrous if it were not so tragic.

• (3:50 p.m.)

At the time of the Russian invasion of Czechoslovakia the government of Canada, with the approval of, I would say, 95 per cent of the people of Canada, agreed to encourage as many Czech refugees as possible to come to Canada. Some of them were doctors and some medical researchers. The Medical Research Council made funds available for some of these medical scientists to do work in Canada. Four of them are working with Dr. Selye at the University of Montreal. The funds with which they are working will be expended in June of this year and the Medical Research Council has told Dr. Selye that they are very sorry but no money will be available for them next year. I do not know what the Minister of National Health and Welfare suggests that these four people should do. Perhaps they should go to the United States where their scientific knowledge and technical abilities will obviously be much more

appreciated than they are in Canada. What was the good of bringing them here if we cannot find the funds to let them do the work which they are qualified to do, work which will contribute to the better health and well-being of the people of Canada?

The Department of Psychiatry at the University of Manitoba has a highly qualified psychiatrist who would like to spend his time doing clinical research in the field of mental health. No money is available for that purpose from the Medical Research Council. So one of two things is going to happen: Either that highly trained, highly skilful psychiatrist is not going to do what he wants but is going to stay in Winnipeg at the University of Manitoba teaching part time and, I suppose, practising part time, or he is going to go somewhere where he can do research work which will help the people of the world understand better what causes mental illness and what can be done to help the 10 per cent of our population who are likely to be mentally or emotionally illl. We are inviting him to go to the United States where funds and facilities will be available for him to do the work which he would like to do. I suggest to the minister that what he is doing is certainly a disservice to the people of Canada, if not a disaster.

At the same time that the minister and the government are cutting back on the amount of money available to the Medical Research Council, the minister has announced that the $500 million health resources fund which is to be used to provide the facilities so that we can educate and train more doctors in Canada and which was to be expended in 15 years is to be stretched out over a longer period of time. The minister shakes his head but I am certain he made that announcement, and certainly that is what was understood by the provinces. I say that the provinces, which have the major responsibility for training doctors and for the provision of funds to expand the existing medical colleges and to build new ones such as the one that is being built, I understand, in the minister's own city of Hamilton, expected that the federal government would live up to its commitments. I suggest to the minister that the provinces, in making their plans to expand medical colleges, whether at the University of Toronto, in Manitoba or in British Columbia, and to build new medical colleges such as are being built at McMaster University in Hamilton or at the University of Sherbrooke, had a right to expect the federal government to live up to its commitments. I say that the government and the minister had no right to welsh on their commitments and to shortchange the provinces as they have done.

If I may, I would like to go back for a few minutes to the problem of medical research because we are facing a crisis which will affect not only medical research but the whole program of health services. I am sure I am less of an expert in these matters than the minister, but I have yet to meet anybody knowledgeable about the medical profession or about medical education who does not believe that without sufficient trained and qualified personnel at the medical colleges we cannot turn out enough doctors of the quality needed and who does not agree that we cannot get the necessary personnel for the medical colleges unless we are prepared to pay sufficient salaries to personnel with the ability to do the work which they want to do, namely, medical research. Yet in view of these shortages the government continues to ignore the specific, detailed and concrete recommendations made by every group which has looked at the problem of medical research and the problem of medical colleges in this country.

Let me take a few moments to summarize some of the things which are said in the most recent comprehensive survey that I have seen, namely, the 1966 Wood, Gundy survey. This is what they say:

> —funds available from a variety of sources have been considerably short of those applied for. In 1965-66, almost $29 million of funds were requested by medical researchers for their work from agencies outside the universities (extra-mural agencies)—an amount representing minimum requests in view of the known shortage of funds. Only $21.5 million was made available.

This is what they say. In case the minister thinks my language was too strong, I will put the whole passage on the record as it appears at page 5 of the report:

> • (4:00 p.m.)
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> The effect on researchers can only be described as demoralising. Research effort is fragmented into small projects, the quality of research is impaired, uncertainty as to the ability to keep research teams together is general, and major new research programs are discouraged. There is a clear need to expand assistance to medical research in Canada if the present unfavourable climate is to be overcome and a longer-term expansion to be brought about.

The minister will, of course, tell me quite properly that we are spending substantially more on medical research in 1969 than in the

year 1965-66 referred to in the report. But, Mr. Chairman, in that year we were meeting 70 per cent of requests for research funds while today we are meeting less than 70 per cent, according to the information I have. I therefore suggest that the fact that we are spending more money on research fails to deal with the crux of the problem which is that there is a tremendous shortfall in the effort made as seen by those who are most competent to judge.

The report goes into some detail. It says:

> The capital needs of medical research in Canada for the period to the end of this decade amount to some $150 million. Since the announced size of the health resources fund is $500 million over a 15-year period, it would seem that the capital requirements for medical research—and it would appear, for health facilities as a whole—may not have been fully appreciated.

Today we are slowing down the rate at which we are paying out money from the health resources fund. The report goes on to say:

> A doubling of the present level of research support in Canada would thus be needed to reach an appropriate level of research effort, and projection indicates that a further doubling to just over $100 million a year would be needed by the end of this decade.

Well, we are in the second to last year before the end of this decade and instead of the $100 million which the Wood, Gundy report recommends we are in fact giving to the Medical Research Council $31 million, roughly 30 per cent of what is called for. And, as I say, this report has been endorsed by all the prominent medical researchers and educationists.

The Acting Chairman (Mr. Richard): Order. I must remind the hon. member that his time expired some time ago.

Mr. Ritchie: Mr. Chairman, I should like to say a few words on this subject. I find nothing wrong with the proposal that the Medical Research Council should report to the Minister of National Health and Welfare. In my view this is a sufficiently specialized field to justify the council reporting to the minister of health. I point out that the Food and Drug Directorate, which has a certain responsibility in connection with the pharmaceutical industry, is at present part of the Department of National Health and Welfare, and that in addition the department is responsible for making grants from the health resources fund for use by the medical teaching complexes which are vitally concerned with medical research. The department is also concerned with the allocation of funds to hospitals, and a certain amount of research is carried out on the basis of these grants. For these reasons I believe it is on the whole in the best interests of medical research in this country that the council should report to the Minister of National Health and Welfare.

When the affairs of the Medical Research Council were examined before Christmas it was found that a considerable proportion of its research funds was allocated to studies carried out in conjunction with the universities. The allocation of research projects was done by members of the medical colleges acting as members of the Medical Research Council. I should like to draw attention to certain anomalies and shortcomings which have arisen in connection with the health resources fund and the allocation of money from that fund.

Three years ago the government of the day promised $500 million over a period of years for the building of medical research complexes. This announcement was greeted with enthusiasm by the medical and teaching professions and a great effort was made by all the medical colleges to plan these complexes with a 15-year program in mind. Mr. Chairman, planning takes a minimum of five years to carry out, plus another five, tentatively. And at the end of that time a further period of five years may even be required. So it may take 15 years to plan a medical complex and bring it to fruition. Obviously, if there is any hitch in the program the effect can be doubly detrimental.

Last November the government in an atmosphere of stringency decided that the period preceding reassessment of this project should be shortened and today it looks as though the program of grants to these medical complexes may be reviewed in two years time, at which point funds may be either increased or restricted. I urge the minister to try to project farther into the future in determining what these treatment and teaching complexes are to receive. At the present time there is a great deal of uncertainty as to what may be in store for everyone concerned at the end of two years.

So far as the medical colleges are concerned, I am told on high authority from a teacher in one of the universities that they are spending approximately 10 per cent on research though it is considered desirable to spend upwards of 30 per cent of available funds on this work. When funds for research

are not available, medical colleges lose good men who tend to go to the United States where conditions are better and the tenure is longer. I therefore urge the minister to give those responsible for the teaching complexes an assurance as to what they may expect over the long term. If funds are not likely to be available, they will make plans accordingly.

We are about to embark on a medicare scheme which will require the services of many doctors and paramedical personnel. It seems to me that however we cut back in connection with medical care and activities, the research end should not suffer. In the long run, good research will bring about a reduction of the number of people involved in the actual care of patients or at least, for the level of care we shall need, fewer people will be required. I feel that the change now proposed in the system of reporting to the ministry is a sound one.

• (4:10 p.m.)

Mr. Aiken: Mr. Chairman, medical research is a subject that has come to the fore today along with, I hope, the Science Council of Canada. Both matters are of extreme importance to Canada.

I am given to understand that because of conditions in Canada, particularly in our medical schools where inadequate funds for research are provided, many of our specialists and graduates with high standing are leaving Canada and going to other countries, particularly the United States, where they can undertake research. In addition, if research funds are not made available we may see more of our medical men leaving Canada to undertake research elsewhere. This has a great effect on the fundamental training of doctors in our universities. I am told that our best medical teachers in the universities want to do research work as well as teaching. In other words, they are not willing to vegetate in their chosen branch of the profession while training new doctors. In addition to teaching facilities they must have available research facilities which I am told are sadly lacking in Canada.

Some hon. members have already said that the budget for medical research this year has been increased by 10 per cent. It is estimated that it ought to be increased by 30 per cent if we are to keep pace with the tremendous growth in medical knowledge. That much money has not been promised and many medical researchers and specialists are worried because they may not be able to undertake research here and will have to leave Canada if they are to do so.

Bearing these factors in mind, may I draw Your Honour's attention to clause 56(2)(a) which says that the council is authorized to:

> —expend, for the purposes of this Part, any money appropriated by Parliament for the work of Council or received by the Council through the conduct of its operations;

Clearly, therefore, under this clause there is provision for the expenditure of money on medical research. The best way of helping our medical schools is by spending money on research facilities for teachers. I therefore ask the minister, what funds will be devoted to medical research under clause 56 and how and when these will be paid? It is necessary for the minister, since we are considering a new set-up for the Medical Research Council, to assure the medical profession and its teachers and researchers that the federal government, through the Medical Research Council or otherwise, will provide funds to allow teachers to undertake research within the medical schools. If the minister can give that kind of assurance, not only will he have reassured the members of the medical profession but he will have boosted the esteem in which the Medical Research Council will be held.

Mr. Munro: Mr. Chairman, I shall try to answer hon. members' questions as briefly as possible. I heartily endorse the remarks of hon. members about the Medical Research Council and Dr. Malcolm Brown. I think these people have done an excellent job and are to be commended.

I will resist the temptation to rebut some of the matters the hon. member for Simcoe North raised. His remarks seemed to apply more to medicare than to M.R.C. I shall be more than happy to face off on that question at some other time, either inside or outside the house. The hon. member referred to the health resources fund. We never hid our belief that it was necessary to limit expenditures under this fund. We regret that this had to be done since we know that limiting expenditures in this field caused some dislocation. The money allocated under the fund was to be spent over a 15-year period and, if certain applications for expenditures were approved, there was a danger that the total amount would be exhausted within a five-year period. But we do not intend, as I think the hon. member for Winnipeg North intimated, to stretch expenditures under the fund

beyond the 15-year limit. As I say, we have had to control the fund to make sure it was not exhausted within five or six years. How long present limitations will apply I cannot say; I hope it will not be for too long.

The hon. members for Winnipeg North, Dauphin and Parry Sound-Muskoka, as well as some others, raised the same point fundamentally. They said there would be serious repercussions in this country if there was inadequate medical research in our medical schools and pointed out the demoralizing effect such a lack would have on our medical education institutions. The corollary to that was that some of our promising medical men might emigrate to the United States where, because of more adequate research facilities, they could expand their knowledge and competence. We realize all this and want to encourage medical research as much as possible.

I point out to hon. members that in the period 1960-61 we spent or allocated $2,307,000 for medical research. For 1963-64 this figure was increased to $5,100,000; for 1964-65 it was $6,935,000; for 1966-67 it was $12 million. If we jump two years and come to the period 1968-69 we see that the allocation had more than doubled to $26,943,000. As hon. members can see, there has been a tremendous increase in research allocations, which hardly indicates that this government is not interested in research. The reverse is true. The figures show that within the last couple of years we have given recommendations for increased allocations for medical research the priority they deserve.

• (4:20 p.m.)

In reply to the hon. member for Parry Sound-Muskoka, I cannot say right now what assurances can be given for the forthcoming year. I can only ask that he take what comfort he can from the remarks I have already made with regard to the emphasis we are placing on this area.

With regard to the last point raised by the hon. member for Winnipeg North, we agreed there would be a limitation this year on the health resources fund of $37½ million. We wanted that applied across the board for this current year and perhaps in the next year. After that time there may be some alleviation of the over-all ceiling. I think that answers, in a very general way, many of the points raised. With regard to the comments made by the hon. member for Winnipeg North as to some of the serious dislocations that have been caused in terms of rejections by the Medical Research Council, we will look at those and see if anything can be done.

With those few remarks I wonder whether we could get on with the clauses pertaining to medical research.

Mr. McCleave: I have a question to ask the minister involving medical and scientific research. I believe that the minister met a delegation today representing blind people across Canada.

Mr. Munro: Yes, I did.

Mr. McCleave: I know they presented the minister with a variety of requests, but I would be out of order if I referred to them. I will content myself with asking the minister what special work his department is carrying out toward the rehabilitation of blind people.

Mr. Munro: I am pleased to answer these inquiries, Mr. Chairman. I really do not know what relevance this meeting has to the matter before us, the Medical Research Council. They did meet with me and were reminded of the assistance given to them in the past under the category of programs in the Blind Persons Act and how we hope to phase that out. In many provinces it is being phased out and being brought under the Canada Assistance Plan where the arbitrary limit is to be removed and assistance will be given on the basis of taking into account the variance in standards of living in those environments where there are high costs such as in our major metropolitan areas.

The delegation acknowledged that more assistance was being offered because of the Canada Assistance Plan. They felt that because of their unique type of disability and its seriousness compared with that of many others, who suffer from disability they should be treated in a way distinct from other disadvantaged persons. They talked in terms of blindness being almost a total disability. They suggested we could recognize this uniqueness by making a universal payment to blind persons of $75 a month in addition to all the other social assistance programs available to help them. I indicated that all the government could do at this stage was to take the matter under advisement and consideration. We received a brief and are prepared to give it consideration.

Mr. McCleave: I thank the minister for his answer. This is precisely what I would have asked if he had been here earlier. I thought I

put it within the realm of what we are discussing. What scientific assistance through medical research is being made available to help the rehabilitation of blind people? Are any special steps being taken by his department in the direction of medical research for the rehabilitation of certain people with blind conditions?

Mr. Munro: I believe we have made available several health grants for this type of research to help rehabilitate blind people in order that they may lead more meaningful lives. In terms of specifics, I cannot give these to the hon. member at the moment.

[*Translation*]

Mr. Matte: Mr. Chairman, I would like to direct a question to the minister.

Would the proposed research council be truly representative of the Canadian people, and to what extent will the French Canadians be represented on it, particularly the French-speaking doctors?

[*English*]

Mr. Munro: If this answer would suffice for the hon. member, Mr. Chairman, there are many appointments to be made in the very near future. I know the chairman is very much aware of the importance of the representative nature of the council and is taking that into consideration, as I intend doing when the recommendations are made. In terms of participation on the Medical Research Council at the present time, I am looking at the list and I see there is representation from the University of Sherbrooke, Dr. Leclair, and also representation from Laval University. In quickly looking at the list it appears to me that of the 21 members on the council seven are from the province of Quebec and appear to be French speaking. As I say, when making future appointments we will take this into consideration.

Clause agreed to.

Clause 55 agreed to.

The Chairman: Shall clause 56 carry?

On clause 56—*Functions of council.*

Mr. Munro: I have an amendment to move to clause 56, Mr. Chairman. It is really a correction of the French translation of clause 56(1)(a) so that it will correspond more accurately with the English. I therefore move:

That the French version of Bill C-173 be amended by striking out line 5 on page 22 thereof and substituting the following:

"—sciences de la santé, sauf les recherches"—

The Chairman: In order to conform with the practice, I suggest that the amendment be moved by Mr. McIlraith, seconded by Mr. Drury.

Mr. McIlraith: I so move.

• (4:30 p.m.)

The Chairman: Shall the amendment carry?

Amendment agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when I rose previously I was going to ask whether the minister had an amendment which I had hoped might be along different lines. I realize that the wording of clause 56 differs in certain respects from the corresponding clause in Part VII having to do with the National Council of Welfare, but I wonder whether the minister has thought about the same point, namely, that in this case the council seems to be given authority to advise the minister only in respect of such matters relating to research as the minister may refer to the council for its consideration. I remind him that when we were on clause 53 we amended the provisions respecting the National Council of Welfare to give that council authority to put things on its agenda which it regarded as appropriate. Would it not be a good idea to make the same amendment to this clause?

Mr. Munro: I agree with the general observations of the hon. member, but I would point out that the clause dealing with the National Council on Welfare, prior to the amendment, did not have the provision that is found in paragraph (a) of clause 56(1). Paragraph (a) gives authority to the council to act in a very wide way on its own initiative. All paragraph (b) really does is give the minister power to ask for advice on matters upon which he may want advice.

Mr. Knowles (Winnipeg North Centre): That is what I had in mind when I said I recognized the slight difference in wording. But if that is what the minister has in mind, that the two provisions are parallel, I am satisfied.

Clause as amended agreed to.

Clauses 57 to 69 inclusive agreed to.

The Deputy Chairman: We will now proceed to Part XI, Ferries, clause 95, page 40.

Mr. Knowles (Winnipeg North Centre): I thought we were going right on with Part IX, the Science Council of Canada.

Mr. Drury: Mr. Chairman, I think it was the agreement that we would proceed on to clause 70 under Part IX.

The Deputy Chairman: I am informed that that part of the bill was carried on March 13.

Mr. Knowles (Winnipeg North Centre): Which part?

The Deputy Chairman: Parts IX, and X, clauses 70 to 94.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am sure there is some confusion. I was here through the whole of March 13.

The Deputy Chairman: We will try to do some deeper research and inform the hon. member later.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, I point out that we are supposed to take a bill clause by clause in consecutive order unless there is some other arrangement, and I submit that no other arrangement was made with respect to Part IX. We did switch the order a bit after we finished the part on Supply and Services last Thursday. We went to the Royal Canadian Mint but we did not deal with the Science Council of Canada. We went from Supply and Services to the Mint. Then we came back to Consumer and Corporate Affairs. Then we had the National Health and Welfare section. That is what we did on Thursday, March 13.

The Deputy Chairman: I wish to apologize to hon. members, who are right on this point. As the hon. member for Winnipeg North Centre has said, we switched, and I was present when we switched to clause 71. We are now on Part IX, the Science Council of Canada, clause 70.

On clause 70—*Establishment and constitution.*

Mr. Aiken: Mr. Chairman, I merely wish to ask the minister whether he intends to make any statement on this clause. If he wishes to answer questions at the end of the discussion that would be satisfactory.

Mr. Drury: Mr. Chairman, as it is the hope that we will complete the balance of the bill, other than the part dealing with regional development, by six o'clock, I do not want to get into the position of talking the bill out and therefore I will try to answer questions.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Broadbent: Mr. Chairman, the government, after nearly a year in office, has presented no clear statement of objectives and priorities for the nation. As a result public policy in all areas is haphazard and ad hoc. In short, it is completely inadequate. Nowhere is this process more evident than in the general area of public policy for science and technology.

At present there is tremendous disillusionment, especially in the scientific community, concerning the lack of government direction and co-ordination for fresh and new approaches in the development of science and technology in Canada. This stems from the following unpalatable facts. First of all, there was a series of cancellations in the scientific area, beginning with the cancellation of HARP, the McGill University high altitude research program. It was cancelled in 1966 without any adequate reasons being presented to the Canadian people. The aim of the project was related to an attempt to orbit satellites in space by using large cannon. The project received wide recognition for its simplicity as a scientific principle throughout the advanced world. Following its cancellation it was taken over by a number of American firms and financed by the United States government. At present it gives every indication of being a very successful scientific endeavour.

Second was the cancellation of the intense neutron generator program of Atomic Energy of Canada Limited. Given other priorities, including a greater emphasis on industrial applied research and development rather than basic research, this may have been the right decision. However, the point is that once again there are no publicly available reasons for justification of the decision. The only reason given for the cancellation of the ING program is that it is considered to be too expensive. When the Minister of Energy, Mines and Resources announced cancellation of this program he referred to its relationship on the priority scale to the very many other demands on the national treasury. I ask, what scale of priorities? No one has told us. In fact there is no indication that the decision had any place in an over-all program of scientific priorities or that the money saved here would go toward some other project. Dr. W. G. Schneider, President of the National Research Council, has stated:

• (4:40 p.m.)

There may be sound reasons but, if so, the public has a right to know; I feel when decisions of this

kind are made, a rationale should be given. If they are handled in this way it tends to destroy morale. Everyone will always wonder what's going to get the chop next.

The third cancellation was in respect of The Queen Elizabeth Observatory. This project was scrapped even though millions of dollars had been spent on it. Once again the government has refused to release its report regarding the reasons for that decision.

A fourth point is that there is a significant lack of funds required for research into urban problems in Canada. As H. W. Hignett, President of Central Mortgage and Housing Corporation told the Senate special committee studying science policy; C.M.H.C. has a mere $10 million revolving fund for assistance in this area. Everyone who is involved in research knows that this is a mere pittance. Government programs for industrial-scientific research and development are completely inadequate.

Last week about this time I devoted a whole speech to this subject so I shall not go over the same ground again except to say it is a fact worth repeating that the federal government is spending over 50 per cent of the money devoted to research and development in the military sector. This is something about which we as Canadians should be deeply concerned. These things, plus additional factors such as the tremendous expansion in government oceanographic research announced in January and the successful satellite research program which is being conducted by the new Department of Communications, clearly reveal that we do not have a coherent, cogent, highly motivated technological and research program in this country.

Senator Lamontagne, hardly an enemy of the government and chairman of the Senate committee, stated that scientists running federal research projects have so little supervision by parliament that they constitute an almost autonomous republic of science. He went on to state that government sponsored scientific research has never been reviewed systematically and said that even cabinet to his knowledge paid very little attention to it except when it was appraising on rare occasions specific and major programs. Senator Lamontagne has discovered in his committee's investigation that there are at least 100 boards and committees comprising about 700 scientists dealing with government research and development. He said that for all practical purposes the supervision and direction of those activities are left to scientists acting in an administrative or advisory capacity. Decisions of social merit and human welfare cannot be left exclusively to scientists no matter how well motivated they may be as individuals.

After this very brief rundown of some unpalatable facts in respect of scientific development I should like to turn to the government's reorganization proposal. As the Glassco commission pointed out as long ago as 1958, there are basic contradictions and conflicts in the institutional environment regarding the determination of science policy in the government. The National Research Council should not be looked upon as the adviser to the government on scientific priorities since it is competing for the very same funds allocated in this area.

The Privy Council committee on scientific and industrial research, whose purpose it was to determine priorities, has been completely inactive since it was first established in 1916. It has been estimated that it has met only a dozen times since 1916. The establishment of the Science Council and Science Secretariat in 1965 and 1966 to fill this role has clearly shown severe limitations. The secretariat was to serve two masters, the Privy Council office with advice on scientific matters to the Prime Minister and also the Science Council of Canada as its secretary. This conflict of interest was obvious to all except the government.

The new legislation in the bill before the house merely gives the Science Council the same status and independence as the Economic Council of Canada. In other words, it will now hire its own staff rather than share with the government the staff of the science Secretariat. Thus the council's report will no longer be examined by those who participate in its implementation. The purpose of the Science Council when it was established in 1966 was to offer advice on public policy with regard to science and technology and to examine the role of our scientific effort in relation to Canada's aspirations. However, the Science Council has found itself confronted with the same difficulties in the formulation of objectives as were experienced by the Economic Council of Canada. Goals were established without any view of the relative importance of each and thus, for example, space and water resources programs were given priority by the Science Council in its last annual report merely for the bad reason that detailed proposals for implementation of these programs existed at the time.

As Professor Lithwick of Carleton University pointed out in recent correspondence in *Science Forum* of April 1968, the evaluation of a particular scientific project must be compared on the basis of whether the results of this form of public investment are more valuable than the returns from an equivalent amount of funds invested elsewhere and not only in scientific research and development. I agree with Professor Lithwick that it is futile to argue as justification for particular projects that we have sufficient scientific manpower or that additional scientists and engineers will be employed, especially when he says that the housing industry is falling short of our minimum needs and our atmosphere and waterways are becoming dangerously polluted. In other words, a very serious consideration of the whole range of social and scientific priorities must be gone into. However, this is not the fault of the Science Council; it is the fault of the government in not assigning priorities in accordance with Canadian needs and aspirations and thereby giving no direction to the great potential role of science and technology in our country to meet these needs.

In recent months the government has considered setting up a ministry of science responsible for co-ordinating scientific research and development programs. At a press conference on August 14 the Prime Minister said that a science ministry was one possible mechanism for co-ordinating and checking on government research and development projects. I see the President of the Treasury Board smiling. He is well aware that the Prime Minister has changed his mind.

• (4:50 p.m.)

Following that one observation the Prime Minister stated he had some doubts about the desirability of asking the President of the Treasury Board to retain cabinet responsibility for science as chairman of the Privy Council committee on scientific and industrial research. The Prime Minister said that although the President of the Treasury Board knows a great deal about scientific research and was keenly interested, "as President of the Treasury Board he may have divided interests in the amount of money we would want to invest in that and perhaps I would not want to put him in a position of having to argue against himself". I agree.

However, the President of the Treasury Board in two recent speeches has completely ruled out any meaningful institutional changes in research and science policy. He has acknowledged that better co-ordination and direction of scientific effort is needed but feels that modifications in the existing machinery will correct the situation. These modifications include the change in the status of the Science Council and more activities by the Privy Council committee on scientific and industrial research. The conflict that the Prime Minister discussed in August apparently is no longer an important factor.

One thing is clear: either the government does not know what it is doing in science or it is indifferent to Canada's scientific needs. Immediate action is required on the question of decision-making processes in scientific and technological matters. Three years have passed since the Science Council was set up; five years have gone by since the Science Secretariat was established. The debate on science policy has been going on for nearly a decade with scientists and technologists becoming impatient for results. I think the President of the Treasury Board has encountered a little of this feeling, perhaps particularly during his recent speech in Toronto where he suffered some disillusionment.

The New Democratic Party in 1967 adopted a resolution that the present functions of the Science Council and the Science Secretariat be taken over by the establishment of a department of science and technology with its own cabinet minister. The new minister and his department would be responsible for science policy, ensuring that activities of other departments involved in science would fit into one national policy. This department's responsibility would basically be in respect of a broad point of view, organizing, co-ordinating and controlling all federal science activities, but the minister would have no other departmental operating responsibilities.

This proposal was made some two years ago. It seemed to me to be good then and it seems to me to be good now. This is something the government should have taken up. I should like to hear the President of the Treasury Board, when he gets on his feet in a few minutes, give us his thoughts on the subject. I should like him to indicate why the government did not go ahead with this very reasonable proposal.

Mr. Aiken: Mr. Chairman, I should like to make a few comments on this subject. A lot can be said about the problems of science policy in Canada. A lot has been said in the past about the failure of the government to

develop a credible science policy. Much criticism has been directed at the government in respect of the cancellation of several scientific projects which had been started and whose cancellation was regrettable.

We should look forward and in doing so we must admit, first, that the present set-up for advising the cabinet on scientific matters has not worked out properly. I am not going to blame the President of the Treasury Board for this. I am sure he knows as well as anyone in the cabinet the intricacies of the science and research facilities within the government services. He knows very well, as do all of us, that research facilities are divided among the National Research Council, the Defence Research Board and the Science Council, formerly the Science Secretariat of the Privy Council. These services are also being performed by various other government agencies. I would not suggest that all these branches in various departments should be gathered up and pulled together into a new department. This would merely complicate an issue which at the present time is complicated enough.

In respect of pollution control the same situation applies. Many departments of the federal and provincial governments are involved. It would not be good policy to withdraw these activities from each of these departments and put them into one department. However, I do suggest that the scientific community, as far as I can gather, has the dreadful feeling that it is not getting through to the government. These people feel they do not have a minister or a spokesman with no other duty than to advise the cabinet on matters of science, research and technology, someone who would attempt to co-ordinate the efforts of these various groups. I know there is a real feeling of frustration in the scientific community. This was evidenced when these various projects were cancelled. In point of fact the scientific community does not have the feeling that an on-going science policy is being developed.

We are now dealing with the Science Council of Canada which is doing good work at the present time. The council has a number of very eminent members. If its chairman were within the cabinet structure it would be much more effective. I think the general feeling in the scientific community is that there is no voice in the cabinet to speak for it.

It has been said before that there is some conflict of interest. In other words, the President of the Treasury Board in reporting on scientific matters does have a problem in that he cannot argue with himself too much in certain areas because he might win and someone else would lose. To that extent there is a difficult situation. This problem is very much in the minds of various people in the research and scientific community.

The President of the Treasury Board has other very heavy duties. He is not directly responsible for many of the research establishments I have mentioned. They come under the jurisdiction of other ministers who have equal status in the cabinet. Therefore there is in the set-up a lack of direct communication with the cabinet by the scientific community in respect of the development of scientific policy.

• (5:00 p.m.)

The Science Council has published some very good papers. On the subjects they have selected they have carried out a great deal of research and the papers have been well prepared. But there is also the feeling that they are not quite dealing with priorities and are just doing patchwork. In the United States the president has an adviser on science. We in Canada do not have this type of organization, and an adviser to the Prime Minister would not be within the cabinet. An adviser to the cabinet would have to be within it if the scientific community is to feel it is being fairly treated.

I have set out the problems as I see them. I think there must be an answer. There ought to be within the cabinet structure a minister who has no responsibilities other than to report on science and act as scientific adviser. I believe that such a minister does not need a department of government; he needs a small and competent research staff of senior scientists who can advise him.

So far as the bill before us is concerned, the move to upgrade the Science Council and make it a corporation with a structure of its own is a good thing. We certainly would support the principle. However, I ask the minister whether he can straighten out some statements he made recently, or at least was reported to have made, that there was no need for co-ordination of on-going research programs in Canada. The minister said that a minister of science and technology was not required.

Unfortunately we hear these reports second-hand. We get them out of newspapers in many cases. Sometimes the minister provides us with the text of a speech he intends

to make. I would like the minister when replying to advise us whether it is the policy of the government not to appoint at this time a minister of science and technology. Second, I ask the minister to advise us whether he did express the view that there was no need and no possibility of a co-ordinated science program which such a department could undertake. If the minister can give us the assurance that the government is seriously considering this question and the lack of a person within the cabinet who has no responsibilities other than to advise on science and technology, he will do a great deal to relieve the fears of many people in the scientific community.

Mr. Drury: Mr. Chairman, I have been most interested to listen to the comments of the two members who have just spoken, the hon. member for Oshawa-Whitby and the hon. member for Parry Sound-Muskoka. In relation to the amendments proposed in the bill relating to the Science Council and Science Secretariat, I am glad they both expressed approval of them. Therefore securing passage should present no difficulty.

I should like to deal with some observations made in relation to government science policy generally and the kind of institutions, the kind of structure, that might best operate to give the most effective, the most adequate response to scientific needs. I think one thing should be made clear. When the term "science" is used, and it has been used by these two gentlemen—this is particularly so in its use in the bill—it relates to the natural sciences and engineering, technology as it is called, rather than the social sciences or science as representing the accumulation of human knowledge for the betterment of mankind. When I use the term "science" it will be in relation to the natural sciences and technology.

One thing that perhaps should be borne in mind in relation to the current debate is the changing position of science, that is, the natural sciences and technology, and of scientists in North America today. There has been for some time now an inclination on the part of the North American public to regard science as likely to produce the answers to all our current problems and anything, therefore, done for, by or in the name of science is of itself good. There has arisen rather more recently a tendency, particularly in the United States and it is beginning to show in Canada, to question the value of research as such and to ask what are the results of research.

[Mr. Aiken.]

Merely to proclaim that the purpose of the activity is research in itself unrelated to our current needs, our current functions, or indeed our longer-range objectives, is not as accurate as it was a few years ago.

• (5:10 p.m.)

According to the hon. member for Parry Sound-Muskoka, the scientists feel that they are not getting through to the government. I suppose this is a manifestation of a lack of support in respect of these questions that are being asked as to the value and relevance of some research that is being done and in particular of the unwillingness of the government and of the public to support all scientific research, regardless of its class, kind, relevance or quality, merely because it is research. This questioning is understandable. I myself think it is a good thing and am very much encouraged by the growing public interest that is being shown in science and technology, not only by scientists themselves who have always had it but by a large spectrum of both the industrial and academic public.

What are our needs? These needs, put into a time framework in terms of science and technology, are both long range and short range, or immediate. The analysis of scientific objectives over the long range and the determination of long range priorities in respect of which we would not expect immediate results is not an easy task for the operating element of the government to undertake. Governments by their very nature are preoccupied, unless they are underworked, with dealing with day to day problems that are certainly not much longer than medium range, and there never seems to be adequate time for reflection and consideration of the longer range perspectives and objectives and the contemplative consideration of how best they can be met and how they fit into a total framework. This, then, was one of the reasons for establishing the Science Council of Canada which was, rather like the Economic Council of Canada, to do in the scientific and technological field what the Economic Council was to do in the economic field for the country, namely, to propound longer-range objectives and the priorities which should be attached to these and to suggest a long-term means of meeting them.

This is obviously a task which cannot be accomplished in a week. If it were as easy as that, the government would long ago have undertaken it itself within its own machinery.

But it is a difficult task that takes time and, more important, one should recognize that once this longer-range framework is established, immediate and specific achievement of it is unlikely. Since by definition it is long range, one cannot expect immediate results from the government or, indeed, immediate action on the part of the government or of the scientific community. If one accepts then that the function of the Science Council is to devise for Canada a framework over the long term into which our scientific endeavours, activities and policies should coherently fit, then I think we will have gone quite a long way to resolving some of the doubts that now exist.

As I have indicated, the perspective which principally engages the government's attention is very much shorter range than that which should be envisaged by the Science Council. I should add parenthetically that the objective in relation to the Science Council is not to have an organ which merely devises long-range policies for the federal government but to have a body which will enunciate long-range objectives in the science field for the whole of Canada, and this includes not only the federal government but provincial governments, the academic community, the industrial community, and anyone else who may be interested. So the Science Council would be expected to talk not merely to the federal government but to Canada, and it does this through the medium of its published reports of which the fourth, I remind hon. members, is modestly described as aiming toward a science policy. The Science Council does not pretend that in its short existence it has been able to formulate and enunciate all the long-range objectives, but it has made some progress in this direction, so that this in effect is a progress report.

So much then for the long-term framework. The federal government, in respect of scientific and technological research activities, is concerned with a rather shorter period. Science, in the sense that I use the word, is a technique which is useful not in itself but as a means of accomplishing in an efficient and orderly way the human objectives that we all seek to reach. To this end everyone who is in charge of an operation of the government, no matter what his job or his station, should envisage the use of science and of scientific research in order to carry out his job more effectively. This means then that science cannot be separated from the day to day operations of the government departments or agencies; it must be an integral part of each and every one of them, and to the extent that the federal government is successful in integrating this scientific approach into the operations of government agencies it has been successful in its scientific policy.

As the hon. member for Parry Sound-Muskoka pointed out, it would be a denial of this principle to try to withdraw and segregate under one head all scientific research within the government. I heartily agree with the suggestion that these are now and must continue to be integral with the operations of all government departments. There are, however, some agencies which are devoted to scientific research as such, including applied research, and they have no other mission. We do not have many of these in the federal government, I am glad to say. Most of the research activities are an important appendage and a useful instrument in carrying out an objective or a mission of government agencies or departments. The large research effort of the Department of Energy, Mines and Resources is not made for research itself but to make that department more effective and more able to carry out its basic mission.

But the National Research Council is an exception. Its function is to carry out fundamental research and applied research in a variety of fields which are perhaps not immediately and directly related to government departmental missions. By statute it reports to parliament through the minister appointed as chairman of the Privy Council committee on scientific and industrial research. So that a number of scientific research activities are carried out in the government, and the problem raised by both the hon. members who spoke is how these should be co-ordinated. One suggestion was that there should be a minister charged with such co-ordination who would have no other activity than this co-ordination. It was suggested that such a minister should be a senior minister, and I take it that that particular adjective is used by the proponents of this scheme in the sense that it conveys a notion of a person with major influence as distinct from one heavy with years and honours but with little else.

Mr. Aiken: I was not referring to the present minister.

Mr. Drury: The problem of co-ordination is a very real one and I think that perhaps the mechanism of co-ordination, at least in embryo, now exists. The problem of relating science and research to departmental missions

is a problem of the department. The co-ordination of departments is carried out by the cabinet and, as the Prime Minister has indicated, the *modus operandi* of the cabinet was made considerably more effective and efficient by assigning to functional committees the consideration in depth of the co-ordination of specific problems.

• (5:20 p.m.)

One of these committees which has been considerably more active recently than in the past is the Privy Council committee on scientific and industrial research. I suppose it met more often last summer than it had in the previous year or so.

An hon. Member: That could be three times.

Mr. Drury: Well, three times zero is infinity.

The co-ordination of government policies generally is achieved through a structure of cabinet committees reporting to cabinet, the final co-ordinating body. In the field of scientific research and technology there is a committee now in existence and discharging its functions. It has a chairman who in addition to being the chairman of that cabinet committee is responsible to parliament for the National Research Council. At the present time he is also President of the Treasury Board, and it will be recollected that the Glassco commission included in its recommendations, first, the formation of a science council—this has been done—and, second, the appointment of the President of the Treasury Board to be the chairman of that committee. The role of ministerial co-ordinator of science and technology derives from the office of chairman of that committee as the minister responsible for the National Research Council.

I do not argue that the ideal chairman of that committee is the President of the Treasury Board, for the reasons outlined today, but I do say that in the structure of the Privy Council committee on scientific and industrial research as a scientific functional committee of cabinet, with a chairman, one has co-ordinating machinery for the short and medium-term scientific policies of the federal government. I say specifically to the hon. member for Parry Sound-Muskoka that at no time did I express the opinion that there was no need for the co-ordination of on-going programs. Such co-ordination is essential. What I did say was that no need exists for the setting up of another organization to do this work. We already have one for the purpose in the Privy Council committee.

One of its shortcomings in earlier years was the lack of an adequate secretariat. This was one of the reasons for organizing the science secretariat; it was to provide a central body composed of men of considerable scientific talent to advise both this committee and the chairman on scientific matters coming within the co-ordinating functions of the committee.

One should bear in mind that the basic responsibility for scientific research rests with the operating departments, and the apparatus set up should be employed by them as an essential tool in the accomplishment of their main functions. Co-ordination of all this effort is achieved by means of a cabinet committee recently made active. This committee is served by a competent science secretariat which as a consequence of this amendment will be able to devote its entire energies to serving this purpose rather than trying to serve the Science Council on the basis of terms of reference much longer in time. So I think the basic machinery is sufficient—

The Deputy Chairman: Order. I regret to interrupt the minister but his time has expired.

Some hon. Members: Continue.

Mr. Drury: I thank the committee for its indulgence. I hope I shall not get into the position of talking out the bill.

Some hon. Members: Filibuster.

Mr. Drury: I shall end in a moment. I do feel that in spite of the cancellation of the HARP project, in spite of the deferment of a highly imaginative project known as ING—the intense neutron generator—in spite of the conclusion drawn that the cost-benefit results of the Queen Elizabeth telescope project would not justify the large expense involved, Canada has been very successful indeed in the field of the natural sciences. I need only draw attention to such federal projects as the Alouette and the Isis, substantial contributions in the field of high and advanced technology, or to the considerable increases made in recent years in expenditures upon research and development within manufacturing industries. I might mention also the substantially increased contribution by the federal government toward research within the universities on which the hon. member commented. All these programs are being increased in the current year, one in which a

need for restraint in order to demonstrate fiscal responsibility has to be observed.

The rate of increase in funds for these programs has not been as great as in previous years but, still, there is an increase, and it is my belief that these increases must continue. I trust we can pass into a period when the possibilities of federal assistance will be greater than they are today. Finally, I hope we shall have no difficulty in finishing the bill as a consequence of my speech.

Mr. Schreyer: I have a brief question to put to the minister. My curiosity has been aroused by the provisions of new section 9. I should like to ask why it was considered important enough to propose an amendment to section 9 of the existing Science Council of Canada Act removing from the council discretion as to where it should meet. I notice it is still left to the council's judgment to decide how often it shall meet. Why should it be laid down that it should meet only in one place, that is to say, the capital region? Under the old act it could meet wherever it chose.

Mr. Drury: In default of any specified place of meeting being laid down the council can meet wherever it wishes. The reference to the locus is necessary for legal purposes; the head office is all that is specified as being in the national capital area.

Clause agreed to.

• (5:30 p.m.)

The Deputy Chairman: The committee will now move to part XI of the bill on page 40. Shall clause 95 carry?

On clause 95—*Commission.*

Mr. MacDonald (Egmont): Mr. Chairman, if the minister wishes to speak I am prepared to yield the floor to him.

Mr. Côté (Longueuil): I shall ask leave to move an amendment to make a correction only in the French version of the bill.

Mr. MacDonald (Egmont): Mr. Chairman, I wish to speak on the subject of ferries and I regret that the Minister of Transport is not in the house to hear me. He may not regard this amendment as a major piece of legislation, and I suppose it is not. Yet there have been altogether too many instances where the minister has not been present to discuss matters relating to transport or housing. That is unfortunate. I wanted to hear him make a statement about ferries and transportation questions that relate to Prince Edward Island. I hasten to add that I will not talk about the causeway. Indeed, since only 26 minutes are left before the supper adjournment I have too little time to put even the basic case before the committee, let alone develop any arguments to show how the matter of the causeway has been completely mishandled. It was all very well for the Prime Minister to backpeddle and say the causeway would not be built.

Very little has been said about transportation difficulties besetting the people of Prince Edward Island and still less about increases in ferry rates. There was a rumour two or three years ago when Mr. Pickersgill was in command that our ferry rates would be increased. The actual increase in respect of vehicles, was in the order of 50 per cent. We know that this is a period of inflation and rising costs. Nevertheless, the people of Prince Edward Island were justifiably upset when the increase of 50 per cent was introduced two years ago. Ferry rates were increased despite the assurance of the then minister of transport and the then government, represented by two ministers in the chamber this afternoon, that responsible authorities—presumably that was the Canadian Transport Commission—would hold a full series of hearings to determine the effect of the increase before the increase was introduced. That assurance was given on many occasions. Of course there were never any hearings and the rates were increased through the mechanism of doing away with the return ferry rate which had been in existence for many years. As a result the people of Prince Edward Island had to bear increased costs. We are told now that there is to be a further increase in rates of about 50 per cent. The total increase will then be 100 per cent of the old rates. And all this has taken place within the last two or three years.

We talk about responsible action to be taken by government departments. When one considers what has happened to Prince Edward Island ferry rates one must be shocked. I find it particularly shocking for the Minister of Transport not to have the decency to be present in the house this afternoon and discuss this matter. Considering the decision not to continue with construction of the causeway project, why has the minister agreed to these ferry rate increases? This is a particular affront to the people of Prince Edward Island. When we are all supposed to be concerned about maintaining good relations between the provinces and the federal authority, this kind of cavalier handling of a

basic question related to the economic and social future of this province is really contemptible.

There is little use in my elaborating on this question this afternoon, but I can tell you, Mr. Chairman, that the people of Prince Edward Island are profoundly disturbed that this government and the Minister of Transport should, after having cancelled the causeway project, go full speed ahead with an increase in ferry rates that will come into effect shortly for the Northumberland ferry service. The private company operating the other ferry service presumably was not consulted and no doubt it too will revise its rates upward. The new rate structure will hurt the economy of the province and will dampen any optimism our people may have generated for the government's recently announced plan to develop the island. In heaven's name, what is the sense of attempting on the one hand to raise the living standards of the people of Prince Edward Island while on the other hand attacking this vital transportation link with the mainland?

I will speak no more about the matter. I trust that although the Minister of Transport is not here this afternoon he will read my remarks and respond to them in a responsible manner.

Mr. Bell: Mr. Chairman, my remarks will be in a vein different from those of the hon. member who just sat down. I want to do something very unusual. I wish to compliment the government and Canadian Pacific Railway for the new ferry it is planned to construct for the service between Saint John, New Brunswick, and Digby, Nova Scotia. I therefore disassociate myself from the remarks of the hon. member who just spoke. I do not mean that I disagree with him; we, too, have many complaints. It is said that it is bad politically to compliment the government in the house, particularly when you are in the opposition. But I say for the record, so that I will not be misunderstood, that the plans the railway company and the government have made to construct a large new ferry for the service between Saint John and Digby are commendable. We have waited a long time for this new ferry. I could take hours in criticizing the government for its delay. At any rate, the ferry will be large and it is what we need. I am glad that Canadian Pacific have agreed to construct the vessel in Canada, and particularly in the Saint John shipyards. I want that clearly understood and on the record.

[Mr. MacDonald (Egmont).]

I hasten to add that we have many complaints about the port of Saint John and other transportation matters related to Canadian Pacific Railway. But for the record may I say we appreciate the fact that finally we are getting this new ferry for the service between New Brunswick and Nova Scotia.

Mr. Côté (Longueuil): Mr. Chairman, may I move an amendment to correct an accidental omission or variation in the French version of the bill only.

[*Translation*]

I move that the French version of Bill C-173 be amended by striking out lines 21 and 22, on page 40 of the said bill, and substituting the following:

5 (1) Whenever a waterway other than a waterway between Canada and another country is established or—

Amendment agreed to.

[*English*]

Clause as amended agreed to.

Clauses 96 to 99 inclusive agreed to.

• (5:40 p.m.)

On clause 100—*Acts to be administered by Minister of Communications.*

Mr. Côté (Longueuil): I would like to move an amendment to subclause 1, Mr. Chairman, to add "the Post Office Department, the Postmaster General or the Deputy Postmaster General" because in the period July 12, 1968 to April, 1969 the acts mentioned in Part II of Schedule A were under the jurisdiction of the Postmaster General and not the minister of communications. I therefore move:

That Bill C-173 be amended by striking out lines 9 and 10 on page 45 thereof and substituting the following:

"Minister of Public Works, the Deputy Minister of Public Works, the Post Office Department, the Postmaster General or the Deputy Postmaster General is mentioned or"

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment agreed to.

Mr. Côté (Longueuil): In clause 100(2) I would like to move an amendment for a similar reason as in clause 100(1). I move:

That Bill C-173 be amended by striking out lines 26 and 27 on page 45 thereof and substituting the following:

"Minister of Transport, the Postmaster General, the Deputy Postmaster General or any other officer of either the Department of Transport or the Post Office Department in relation".

Mr. Aiken: Mr. Chairman, would the minister explain to us the effect of this amendment and why it is necessary?

Mr. Drury: Mr. Chairman, when the bill was drafted provision was made for a take-over of functions of various departments by the to-be minister of communications. The fact of the matter is that in the past few months these functions have been exercised by the Postmaster General in order to effect a continuity between the operations which have been carried out by the Postmaster General in his capacity as the to-be minister of communications.

Mr. Aiken: The minister will really have two capacities and the two departments have to be included.

Mr. Drury: That is correct, Mr. Chairman.

Amendment agreed to.

Clause as amended agreed to.

Clause 101 agreed to.

On clause 102—*Acts to be administered by Minister of Regional Economic Expansion.*

Mr. Bell: I notice in glancing at clause 102 that it deals with the lapsing of the appropriations associated with the Atlantic Development Board. I further notice, and I hope the minister will correct me if I am wrong, that payments may only be made during the 30 days immediately following the 31st March of this year. If this is true it leads me to make the assertion we have been continually making in the house that we are very disappointed there is no method of continuing payments of this nature during the period of transformation from the Atlantic Development Board to the new legislation. I assume this is correct.

Mr. Drury: Mr. Chairman, I think perhaps the hon. member might raise this matter with the to-be Minister of Regional Economic Expansion when this department is discussed tomorrow.

Mr. Bell: I thank the minister for his invitation. I assume from the glee with which he offers it that he is in agreement with me. He probably does not mind my saying that we are still starving to death in the maritimes as far as development funds are concerned and the situation is going to be worse unless changes are made by the to-be minister.

Mr. McCleave: I rise on a point of order. I suggest it would be appropriate to stand this clause until we have passed the clauses dealing with setting up the Department of Regional Economic Expansion. If there are amendments tomorrow it would be necessary to reopen this clause in order to amend it. I think it is common sense to stand it until then.

Mr. Drury: It is agreeable that clause 102 be stood until the clauses relating to regional economic expansion are dealt with.

Clause stands.

Clauses 103 and 104 agreed to.

On clause 105—*Amendments and repeals.*

Mr. McCleave: Mr. Chairman, I make the same request with regard to this clause for the same reason. I do not anticipate there will be any difficulty, but there may be amendments.

Mr. Drury: Mr. Chairman, we have some amendments to make to the schedules. In order to meet the hon. gentleman's request in relation to the debate tomorrow, I suggest that clause 102 and Schedule A, Part IV, be stood. These are the references?

Mr. McCleave: Yes.

Mr. Drury: And that under Schedule B the repeal of the Atlantic Development Board Act be stood, the Forestry Development and Research Act be stood and the Fund for Rural Economic Development Act be stood. Possibly we might proceed with the balance.

• (5:50 p.m.)

Mr. McCleave: Mr. Chairman, I followed as the minister listed and I think his list is comprehensive. I think he has made an agreeable request.

The Deputy Chairman: Shall clauses 105 and 106 stand?

Mr. Drury: Could we not carry clauses 105 and 106, Mr. Chairman?

Mr. McCleave: Yes, I think we can, Mr. Chairman, but with the reservations that the minister himself has listed and which will be on the record. I think we are agreeable on this side to carrying everything else.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it seems to me that is the sensible thing to do, to carry clauses 105 and 106. But it seems to me there is going to be some difficulty in trying to carry and stand different

parts of the schedules. Perhaps the schedules could stand, it being our understanding that the only reason they stand is in case anything flows from the discussion tomorrow, and I do not mind having that on the record.

Mr. Drury: If the discussion we have this evening will dispose of the schedules, apart from regional economic expansion, we will not spend long on that discussion, but we would like to propose some minor amendments to Schedule B.

Mr. McCleave: I think we can give the undertaking that debate will not be revived outside this particular area and dealing with regional economic expansion.

The Deputy Chairman: Shall clause 105 carry?

Some hon. Members: Carried.

Clause agreed to.

Clause 106 agreed to.

On Schedule A—

The Deputy Chairman: Shall Schedule A stand?

Mr. Drury: Stand, subject to the understanding, Mr. Chairman.

Schedule stands.

On Schedule B—

Mr. Côté (Longueuil): I have a few amendments to present on Schedule B, Mr. Chairman. I move, seconded by Mr. Drury:

That Bill C-173 be amended by striking out paragraphs 1 and 2 opposite the reference to the Canada Dairy Products Act in Schedule B on pages 53 and 54 and substituting the following:

"1. Paragraphs 2(c) and 2(d) are repealed and the following substituted therefor:

"(c) "grader" means a person designated as a grader pursuant to section 7;

(d) "inspector" means a person designated as an inspector pursuant to section 7;"

2. Subsections 7 (1) and (2) are repealed and the following substituted therefor;

"7. (1) The Minister may designate any person as an analyst or a grader and the Minister or the Minister of Consumer and Corporate Affairs may designate any person as an inspector for the purposes of this act."

I also move that Bill C-173 be amended—

[Mr. Knowles (Winnipeg North Centre).]

[*Translation*]

The Deputy Chairman: Order. We will first deal with the first amendment.

[*English*]

Amendment agreed to.

Mr. Côté (Longueuil): I move, seconded by Mr. Drury:

That Bill C-173 be amended by striking out paragraph 2 opposite the reference to the Currency, Mint and Exchange Fund Act in Schedule B on page 56 and substituting the following:

"2. Part II, except subsections 15(2), 15(3) and 15(4), is repealed."

Amendment agreed to.

Mr. Côté (Longueuil): I move, seconded by Mr. Drury, an amendment to Schedule B, page 60, to correct a translation error.

[*Translation*]

I propose that the French version of Bill C-173 be amended by striking out Paragraph 2 opposite the Income Tax Act, in Schedule B, page 60 of the said bill, and substituting the following:

"2. Paragraph 71A(2) (b) is amended by substituting the Area Development Incentives Act for the Department of Industry Act."

Amendment agreed to.

[*English*]

Amendment agreed to.

Mr. Côté (Longueuil): I move, seconded by Mr. Drury:

That Bill C-173 be amended by striking out paragraph 2 opposite the reference to the Public Service Superannuation Act in Schedule B on page 63 and substituting the following:

"2. Sections 32, 33 and 48 are amended by substituting the words "Minister of Finance" for the word "Minister" wherever the latter word occurs."

The Deputy Chairman: Shall the amendment carry?

Mr. Knowles (Winnipeg North Centre): I have some doubts about this but I guess we had better let it carry.

Amendment agreed to.

The Deputy Chairman: Shall the Schedule as amended carry?

Mr. McCleave: With the same understanding we had with regard to clause 104.

Mr. Drury: With the same understanding in relation to Schedule A.

The Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Schedule B as amended stands with the understanding we have already arrived at.

The Deputy Chairman: Agreed?

Some hon. Members: Agreed.

Mr. Bell: With respect to all these sections that are being stood I hope that *Hansard* will record the optimism that the minister and some members from some of the wealthier regions of Canada have that there will be no amendments tomorrow in the regional development debate.

Mr. Drury: Mr. Chairman, amendments can have two results, and I am sure the hon. gentleman is not envisaging the kind of amendment which would make him unhappy.

Mr. Bell: You cannot take nothing from nothing.

Mr. Drury: I think we have concluded about all we can do on this bill today, Mr. Chairman, and I would suggest that we might report progress.

Progress reported.

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 have pased Bill S-30, an act respecting The Perth Mutual Fire Insurance Company, to which the concurrence of this house is desired, and also a message informing this house that the Senate have passed Bill C-154, an act to prevent the introduction or spreading of pests injurious to plants, with an amendment, to which the concurrence of this house is desired.

[*Translation*]

It being six o'clock, I do now leave the chair to resume at eight o'clock this evening, in order to allow the house to study a motion which will be presented by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), in accordance with standing order 26.

[*English*]

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

MOTION TO ADJOURN UNDER STANDING ORDER S-O 26

NATIONAL DEFENCE

FIRING OF A.B.M. WARHEADS OVER CANADIAN TERRITORY—MOTION TO ADJOURN UNDER STANDING ORDER 26

The Acting Speaker (Mr. Béchard): Order. Pursuant to Standing Order 26 Mr. Douglas (Nanaimo-Cowichan-The Islands) seconded by Mr. Knowles (Winnipeg North Centre) moves that the house do now adjourn.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, normally one would express regret at bringing members back on a Wednesday night, which is the only evening they have off all week. However, I have no apology to make for asking the house to debate a matter which I think is the most important problem of our age. Certainly, nothing is so important as the survival of the human race.

This is the first time in the history of mankind that man has had the power to commit social suicide. There have been countless wars throughout history. These wars have involved a few thousand, a few hundred thousand or even a few million people; and cities or even entire countries have been devastated. But for the first time in man's long evolution, he now has the power to destroy not only himself but all forms of life. Therefore, nothing can be more important than that we, as members of this house, should concern ourselves about any event which might lead to an escalation of nuclear arms and to a proliferation of nuclear missiles.

This matter came to a head last Friday, March 14, when President Nixon of the United States announced that his administration had decided to proceed with an A.B.M. system known as the Safeguard system. It should be recalled that the whole question of anti-ballistic missiles has been discussed for a long period of time. Many opinions have been expressed for and against in many parts of the world, including the United States. Some people in the United States Senate and the United States Congress have spoken out against the establishment of an A.B.M. system. Sometimes when one expresses some concern about this matter one is accused of being anti-American, unpatriotic or pro-Soviet Union. The fact of the matter is there are a

great many patriotic United States citizens who today are questioning very seriously, and criticizing very vigorously, the President's decision with regard to an A.B.M. System.

I notice that the New York *Times*, in an editorial of Monday, March 17 says this:

> For all the surface persuasiveness of the President's assurances that he seeks to follow the course of moderation, the rationale on which he bases his decision provides fresh evidence that the arms race feeds on itself in a cycle that can never stop short of world annihilation.

The editor goes on to point out that while the President has based his decision on some 67 A.B.M.'s stationed around Moscow, the Pentagon has long recognized that these are already obsolete and that the planned American response involves more than 700 anti-missile missiles and, through the use of MIRV multiple warheads, a probable fivefold increase in offensive delivery vehicles from 1,700 to more than 8,000.

So, many thoughtful people are raising honest questions about this whole matter. Let me very briefly, in my limited time, try to outline the story of the investigations and discussions that have gone on with regard to A.B.M.'s. The first proposal was for a complete A.B.M. system with Nike-X missiles. That was opposed by former defence secretary Robert McNamara. He appeared before the Senate Armed Services and Defence Appropriations Committee on January 26, 1967, and presented a 209 page brief. I shall not take the time of the house to quote from the brief extensively but I believe I could paraphrase his submission by saying that he objected to the proposal, first on the ground that it would not provide real security and that the United States would be spending large sums of money for something which in the end would provide it with little or no security. He argued that the United States security lay in its offensive capacity and its four to one ratio in respect of intercontinental ballistic missiles vis-à-vis the Soviet Union and its possession of the nuclear submarine armed with Polaris missiles.

His second objection before the Senate committee was that the construction of an extensive A.B.M. system could quite easily be the step that would trigger further escalation in the nuclear arms race. As hon. members know, Mr. McNamara, under pressure from the powerful military complex in the United States, finally agreed to what was known as this "thin line system" missile system. This was for use for defence against Mainland China only and not directed at the Soviet Union. Continued pressure from the chiefs of staff and from the industries concerned resulted in the acquiescence and the announcement by President Johnson of what became known as the Sentinel system. This was to surround some of the major cities in the United States with A.B.M. bases. There was so much of an uproar in some of the cities in the United States that in the United States Congress that President Johnson decided to leave this matter in abeyance and dump it into the lap of the incoming president.

• (8:10 p.m.)

President Nixon has for some time been considering what his administration would do about the construction of the A.B.M. system. Last Friday he made an announcement that they were going to construct what he calls a Safeguard system which will not surround major centres of population but will be designed to protect the 11 Minuteman bases situated centrally throughout the United States.

In his statement the president was very careful to say that this decision on his part was not provocative and not meant to lead to nuclear escalation. I cannot do better than quote what was said in the Montreal *Star* on Monday, March 17 by James Eayrs, who is a well known author and acknowledged authority in respect of foreign affairs. In answering the president's statement that this A.B.M. system would confer protection on the American people Mr. Eayrs said:

> It is likely to confer nothing of the sort. It offers protection only if the Soviet Union stands pat in the face of an addition to American power. Everything known about the dynamics of the arm's race, about the reflexes of its Russian contestants, suggests that the Soviet Union will not stand pat. Mr. Nixon's assurances that "the program is not provocative," that "the Soviet retaliation be retaliatory capability is not affected by our decision," are either naïve or dishonest.

Someone may well ask, what business is it of Canada's what the United States does. I suggest that it is our business. It is our business because any action which could lead to a nuclear holocaust would have terrible consequences for the people of Canada. This was underlined this week by the Canadian chief disarmament negotiator in Geneva, Mr. George Ignatieff, who was formerly our representative at the United Nations, and is now stationed at Geneva. Mr. Ignatieff said:

> —Canada is placed in the most dangerous position of any country by the galloping arm's race between the United States and the Soviet Union. If this race gets out of hand, it could be catastrophic for Canada which lies between the nuclear giants.

In respect of something which is of so great importance to Canada, it seems to me passing strange that the Canadian government should have had no intimation from the United States, and that there should have been no consultation. There can be no doubt about that. *Hansard* of March 17 at page 6684 records the Prime Minister (Mr. Trudeau) as having said in answer to the question I asked:

No, Mr. Speaker. We were notified of the decision, but there was no consultation in the sense that we might have been in a position to change the decision.

At page 6689 of *Hansard* for the same day, there is recorded a question to the Secretary of State for External Affairs (Mr. Sharp) and the minister's answer. The hon. member for Prince Albert (Mr. Diefenbaker) asked for similar information in these words:

—will the minister say when he . . . first received notification of the decision by the United States in this regard?

The Secretary of State for External Affairs replied:

Mr. Speaker, we were told of the decision immediately before it was announced.

I must say that many Canadians will feel as I do, that we who are neighbours and friends of the United States, with 4,000 or 5,000 miles of undefended border, have a right to better treatment than that. Canada is not a banana republic. We want to be friends and neighbours but not subservient.

Mr. Sharp: And allies.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We are allies and the minister knows it. We are allies in NORAD and in NATO.

Mr. Sharp: Do you support these things?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I support them and I hope the minister will tell us his view when he gets up to speak.

Mr. Sharp: Do you support them?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I support them, yes. I suggest that we are allies and I would ask the minister when he gets up, and I hope he will, to tell us whether he is prepared to have Canadians be merely subordinates so that when the United States makes decisions it can do so without any consultation or negotiation as to whether they should be allowed to use our air space.

Mr. Sharp: I gather the hon. member is in favour of NORAD and NATO, is he?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Surely we have the right to be concerned about this decision by the United States in view of the fact Canadian territory is involved. As I said before, the missile bases are proposed to protect the Minuteman bases. Some of these will be close to the Canadian border. They will be protected by Spartan missiles with a range of not more than 400 miles. Certainly, all indications are that any interception will be planned over Canadian territory. I agree that the primary concern is not just where the anti-missiles will intercept these missiles. The primary concern is to prevent the escalation of nuclear armament and a nuclear war.

Surely, when the government deliberately designs an A.B.M. system for its own defence that is predicated on the interception of ballistic missiles over a neighbour's territory, the very least it could do is consult with the neighbour prior to making the decision.

An hon. Member: Who is going to fire those missiles?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Have they consulted with the Canadian government? We asked the Secretary of State for External Affairs whether there have been any discussions in respect of permission or approval for United States missiles to be fired over Canadian territory. All the minister has said is that discussions have been going on for years. That is not the question. The question is, have there been discussions with respect to this particular Safeguard A.B.M. system? The Secretary of State for External Affairs quoted the joint communiqué from the United States Defence Department and the State Department in these words:

• (8:20 p.m.)

We discuss matters such as these with the Canadians on a continuing basis. A number of aerospace matters pertaining to A.B.M. are under discussion—

I underline these words.

—are under discussion with the Canadians. Since these matters are being discussed, it would not be appropriate to deal in specifics at this time.

I think the minister has to tell us whether discussions are going on at the present time regarding this proposed Safeguard A.B.M. system.

Mr. Sharp: Do you want me to?

Firing of A.B.M. Warheads over Canada

Mr. Douglas (Nanaimo-Cowichan-The Islands): I would hope that the minister, instead of interrupting, would give us some information in this respect, because he has been so evasive; he has waffled. This afternoon he tried to mislead the house when he said that this discussion has been going on for years. The discussion of the A.B.M. Safeguard system has not been going on for years. He said the other day they had been consulted. When did discussions start on this Safeguard A.B.M. system? Are they going on now? What decision has the government made with respect thereto?

Some years ago the Prime Minister was a member of a group which wrote an article, a translation of which appeared in the May issue of the *Canadian Forum*. The article was entitled "An Appeal for Realism in Politics". This was in 1964.

An hon. Member: When did you write yours?

Another hon. Member: Regina.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The article of which the Prime Minister was one of the authors—

An hon. Member: You were the author of the Regina manifesto. That was many years ago.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —reads in part:

> As regards national defence, there are two points that seem to require urgent attention. First, that our government seems incapable of defining a clear and coherent national defence policy is alarming. Second, the lack of information about defence matters released to the public is very worrying and could prove to be a serious setback to democracy in our country.

That is certainly true; we have not had very much information and we certainly have had no clear statement on government policy. The Prime Minister yesterday, as reported at page 6741 of *Hansard*, said:

> —I repeat now, that any danger of escalation is something which we would be very anxious to discuss, and if there is evidence of escalation then we would be ready to indicate our disapproval of such escalation.

A.B.M. systems have been discussed for years, and the Prime Minister has not yet made up his mind whether there is any evidence of escalation. This matter has been discussed in the United States Congress, in many parts of the world and before the disarmament committee, but the government has not yet decided whether there is any evidence that this will cause escalation. The government has not yet even decided what to do about its Bomarc missile bases. In 1963 the Prime Minister wrote an article of which I am sure he has been reminded many times. The article appeared in *Cité Libre* of April 1963. In it the Prime Minister castigated his predecessor for agreeing to accept nuclear weapons on Canadian soil. He said that his present colleagues had made this decision in order to get into office and that they hurried into office with all the elegance of animals heading for the trough.

Where are the nuclear, Bomarc missiles now? They are still at Macaza, Quebec, and North Bay, Ontario; still under United States control. In 1965, the Right Hon. L. B. Pearson told this house and the Canadian people in the election campaign of that year, that if elected his government would negotiate us out of Bomarc nuclear missiles. But they are still here. Is this a clearcut policy? When the Secretary of State for External Affairs rises, I hope he will tell us whether discussions are now going on with respect to the request of the United States for approval to fire anti-ballistic missile warheads over Canadian territory. If so, when did they start, and what answer is being given?

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: The hon. member may only continue with the unanimous consent of the house. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but apparently there is no unanimous consent.

Some hon. Members: Oh, oh.

Mr. Lambert (Edmonton West): Oh, these nuts. Come on!

Some hon. Members: Carry on.

Mr. Deputy Speaker: Would the hon. member for Nanaimo-Cowichan-The Islands continue.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I thank the house for its indulgence, Mr. Speaker, and I shall take only a few more minutes. I am sure that members in all parts of the house, and Canadians generally, will be pleased that the right hon. Prime Minister is going to Washington next week. I hope the Prime Minister will tell the President of the United States that we in this house, and the people of this country, are concerned about the decision he has taken, a decision which Mr. James Eayrs in the article to which I referred earlier called "black Friday".

I hope he will tell the President of the United States that we feel justified in being concerned because of our geographical position and our long association with the United States. As neighbours and friends of the United States we feel we might have been given an opportunity to express our opinion. I hope the Prime Minister will tell the President of the United States that we believe there is a serious danger that this action, without providing any amount of security for the American people or ourselves, could trigger a very serious nuclear arms race.

I am sure the Prime Minister realizes that this is one of the most important missions he has ever undertaken. I am sure he realizes that he will go to Washington with the hopes and aspirations of the Canadian people on his shoulders, with the hopes of all humanity who yearn for peace. We hope he will succeed in getting reconsideration of this matter, and that there will be agreement for consultation in the future before action is taken which could affect Canada's safety and welfare.

If the Prime Minister is able to accomplish that, I tell him he will have the gratitude and indebtedness of people in all parts of this country. However, if he does not speak out for Canada and take an independent stand, which I think he is capable of doing, this is a matter which will be on his conscience for a long time.

• (8:30 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suppose that seldom does it happen that the leader of a government can say he welcomes debate under this standing order. In this particular case however I say very sincerely that I do welcome debate. This is a most urgent and difficult matter, and before I go to see the President of the United States I am anxious to hear the views of the leaders of the opposition parties on this important subject. I say this because I realize that we are discussing here one aspect of a problem which involves the fate of all mankind. I know it is necessary that we, as the government of Canada must speak about the protection of Canadians, about the protection of our cities, and about the protection we believe our nation deserves. I know, too, that as the government, we must also ensure that the international laws which apply to our air space are respected.

Nevertheless when I answered questions in the house on this subject the other day I said very frankly that in a real sense these were secondary concerns of ours, and I will explain why this is so. We believe that this whole matter is not one in which only Canadians are involved. I echo what the leader of the New Democratic Party said when I say that we believe that this whole matter is one which involves the fate of humanity. It is for this reason that we on this side of the house take the position that before sitting down to bargain with the United States on where the system should be located, on whether they have considered where the fallout would occur, whether or not it would be on Canadian cities, we want to remain free to say that we condemn this system entirely. We want to be free to disapprove of it, which we would not be if we said to them: "Please set it down here or there and please make sure that you do not destroy us in the process of protecting yourselves".

This is the reason that I, and the government take this stand. When I do speak to the President I will not be in the position of asking for a little more protection for Canadians but rather will be able to put questions to him about whether his decision constitutes an escalation and an increase of the danger of nuclear warfare or whether it is merely an operation which adds to the stability of the deterrent system.

Some years ago Canadians did not have such a difficult decision to make. Other countries in history have lived for years in the fear of destruction, although perhaps not nuclear destruction. Wars in other lands very often constituted an imminent danger of destruction to many nations. For us in Canada however, it is the first time that we have been faced with such a problem. It is only four and a half decades ago that Senator Dandurand was able to say to the League of Nations that we in Canada "live in a fireproof house, far from inflammatory materials".

This is no longer the case. Our house is not fireproof and, as we know, inflammatory

materials are no longer very far from it. Science has made us all neighbours in this world. The progress of science and technology is such that one nation cannot hope to save itself alone. Talented writers have used various expressions to express this result. Mr. McLuhan speaks about the "global village", and he is right; we are truly living in a global village. Barbara Ward talks about a "Spaceship Earth". I suggest these expressions convey, in a true sense, the feeling of solidarity that we as Canadians have with all nations on this earth.

[*Translation*]

Consequently, the Canadian government is as concerned about this subject as the members of the opposition and all Canadians.

I repeat that we wish to ensure the security of Canadians and especially that decisions that might affect the future of humanity are not taken without our participation.

I think the debate taking place this evening is intended to determine a policy which will ensure the security of humanity, including that of Canadians.

[*English*]

How we manifest our concern for humanity, so as to make our desire for survival into an effective policy, is the subject of this debate tonight. There are a few general principles which guide this government in establishing such a policy. The first refers to the stability of the deterrent system. This system exists as a deterrent because of the knowledge on both sides that the other has a destructive power capable of annihilating it. It is the credibility of the system which ensures its stability. This is a fragile and dangerous balance. If the system is to retain its credibility, we must seek to make sure that it does not lose its balance; we must make sure that there is no escalation of nuclear armament systems, no rushing ahead by one of the two centres of military power on this earth, the U.S.S.R. and the U.S.A., so that the other is in fear of being destroyed without having the capacity to destroy its opponent. It is this very delicate balance that must be maintained until we are able through other means to ensure arms limitation and arms reduction agreements which are truly workable and effective.

The second principle is that Canada should continue to participate in the Geneva negotiations, as it has through one of its most able ambassadors, Mr. George Ignatieff, who has been speaking for Canada in these matters. We must continue to do so because we believe that deterrence is a very delicate, sensitive and dangerous system, and we must work with all our energy to seek out other avenues to arms limitations and reductions.

Another principle that we must apply is to attempt to prevent the further proliferation or indeed escalation of nuclear armament systems. To each of the countries concerned, such an escalation is an extremely costly business and can only entail an extremely costly retaliation of the defensive system of the other country. This is doubly serious because it places these great great nations of the world in a less favourable position to meet the other challenges facing humanity, the challenges of domestic poverty and of slowly developing nations, for example. We, therefore, believe this escalation to be a dangerous thing for this additional reason that it prevents countries from solving these other problems. Then again, it is dangerous in itself because the more sensitive these systems get the more complex they become and the greater the danger of accident. Already, we are beginning to wonder whether these systems are not so complicated and intricate that the decision to start a nuclear holocaust will be made by a computer or by some officials who really have not the time in which to weigh all the imponderable elements before reaching a decision.

• (8:40 p.m.)

These are the principles which govern us. But because this government is not yet in possession of sufficient information to make the necessary judgment as to the decision taken last Friday by the President of the United States, we are keeping an open mind on this. The leader of the New Democratic Party says we have evidence of escalation, and he has quoted some evidence. But I think it would be counter-productive in connection with any talks I might have with the President if, before going to Washington, this government took the position that there was escalation; that the United States was guilty; that we were not giving them a chance to explain their point of view, and that we condemn them out of hand.

This is the reason the government is not taking an attitude of condemnation. It is one of interrogation, one of seeking information; it is one of finding out reasons for this action by the United States and then making up our minds.

Some hon. Members: Hear, hear.

Mr. Trudeau: If, Mr. Speaker, after receiving all the information, we are led to the view that the A.B.M. system constitutes escalation and is conducive to greater peril for mankind, then we shall condemn it. We shall tell the United States that we disapprove. If, on the other hand, we are convinced that the A.B.M. system is necessary though regrettable as a move by the United States, then we shall have to decide whether or not we shall participate in the operation of that system. Let me remind this house that the Secretary of State for External Affairs (Mr. Sharp), the Minister of National Defence (Mr. Cadieux), and myself have made clear on several occasions that the space defence system, the A.B.M. system now contemplated, has not been integrated into NORAD but is something outside NORAD. It follows in all fairness that we cannot, while refusing to participate in this A.B.M. system, while taking the position that it must remain outside NORAD, complain that the United States is not consulting with us.

The leader of the N.D.P., who answered a few questions by the Secretary of State for External Affairs must, I think, sense this contradiction. On the one hand, he complains that the Americans have not consulted us, as they should, while on the other hand, his party has on various occasions taken the position that we should withdraw from NATO. I was happy to hear the leader of the N.D.P. clarify his position on this issue. He said in answer to the minister that we were allies in NORAD and NATO, and he supported the idea that we should be friends and allies of the United States. Well, the New Democratic party has obviously reached the conclusion of its external affairs review. We have not reached that position yet, and we still reserve our judgment. We may decide to stay in NATO or we may decide to pull out. We may decide to stay in NORAD or we may decide to pull out. But we shall have to be consistent with ourselves, and if we stay in NORAD we shall have to ask ourselves whether we want it to include some degree of control over, the A.B.M. system, or not. If our answer is we do not, we shall not be in possession of a very strong negotiating point with the United States.

We might, of course, protest that they should not be using our air space or that they should not contemplate exploding anti-ballistic missiles over Canadian soil. However, I repeat, as I said the other day in the house, that this would be a fairly academic consideration, Mr. Speaker, because should the system begin to fire it will mean our efforts to preserve the peace and the safety of the world have failed, and I think the question of national air space would be secondary. I do not mean to say—and I believe I am answering the question which was put to me—that we are not informed. The minister said this afternoon, and I repeat it, that we have been informed to an impressive degree about what the United States is doing. I believe the Minister of National Defence will reveal later in this debate that we have a lot of information on the technological work being done there in the field of deterrents. However, we do not have all the information and, in particular, we do not have a veto over the operation of the system. If this house feels we should participate in decisions concerning this system it may be we shall have to become partners in the A.B.M. system. But this is a decision we are not yet prepared to make.

We want, first, to be convinced that the system is necessary. If it is not necessary we shall condemn it. If not, we shall seek the kind of protection which the opposition suggested we obtain for Canadian cities. I do not believe I should carry on this debate further. Essentially, I am saying we do not yet have sufficient information on the basis of which to reach a decision on the position taken by the United States last Friday. We do not wish, before going to Washington, to judge that position out of hand. Therefore, I believe I shall welcome this occasion as an opportunity to hear what other members of this house have to say. Before any final conclusion is reached, we shall always consider that it is our duty to look for methods of settling disputes through negotiation rather than through any form of escalation of deterrent systems.

Let me, before ending, read to the house a fitting quotation from Madam Barbara Ward, words which are deservedly well known. I quote:

> In the last few decades mankind has been overcome by the most fateful change in its entire history. Modern science and technology have created so close a network of communication, transport, economic interdependence—and potential nuclear destruction—that planet earth, on its journey through infinity, has acquired the fellowship and the vulnerability of a spaceship.
>
> In such a close community, there must be rules for survival.

It is in search of those rules for survival, Mr. Speaker, that I shall be speaking to the President of the United States next week.

Some hon. Members: Hear, hear.

Firing of A.B.M. Warheads over Canada

Hon. Robert L. Stanfield (Leader of the Opposition): I have some views I should like to express in this debate, one which is obviously of considerable importance.

(8:50 p.m.)

I think we have to remember that we are debating in Ottawa and not in Washington. Therefore, certain considerations that might be relevant to people in our position in the United States are hardly relevant here, in Canada. Such questions as whether this system of deterrence gives the best value for money and whether the United States can afford it are hardly questions for us in this country to consider. But there are aspects of the matter which I think we ought to consider. The first, of course, concerns the proper response of Canada to the decision of the President of the United States; the second concerns our ability to respond in an informed and effective way to it. In other words, we are concerned about the degree to which we have been consulted in this matter; in which we are entitled to be consulted.

Some Canadians, I think, are inclined to be suspicious of motives behind decisions made in the United States in respect of defence matters. That is not a particularly fruitful or helpful approach or, indeed, an approach that will be effective in bringing any influence we have to bear on policies of the United States government. We have influence which, because of our interests and geography, I think we should seek to extend.

I am as concerned about Canada's independence and about securing peace in the world as is anyone here, sir; but I cannot see how our interests are advanced by a persistent and almost Pavlovian condemnation of United States actions. In so many words, the Prime Minister (Mr. Trudeau) emphasized that we share the same danger from nuclear weapons; we are all in the same boat and we shall all share the common fate of mankind. We all agree with this; but that agreement does not, by itself, take us very far. The Prime Minister emphasized a number of points of importance to his government. He referred to the importance of the credibility of deterrence, the question of preserving what he referred to as the delicate balance of terror and the importance of preventing this delicate balance from being upset. He said we should make sure that one side does not rush ahead. Frankly, I am at a loss to know how we can do this. Let us be realistic. Just how do we make sure that one of the super powers does not rush ahead and upset what the

[Mr. Trudeau.]

Prime Minister calls the delicate balance of terror. Just how do we prevent escalation of nuclear weapons? How can we do this with the two great nuclear powers? Is it, therefore, realistic for the Prime Minister of this country to say that we must make sure neither side rushes ahead. If we can achieve, through a disarmament conference or any other kind of conference, some form of agreement on this matter, that is one thing. Certainly, we should emphasize the importance of such understanding or agreement. But in considering the question we consider tonight, is it realistic for us as Canadians to say to ourselves, "We must make sure that neither side rushes ahead." I repeat, just how do we make sure, Mr. Speaker?

Naturally, we in this party are deeply concerned about the implications of the President's announcement. I agree with the Prime Minister and the leader of the New Democratic Party that we should not be overly worried about the immediate effect this United States policy will have on us. After all, if nuclear weapons are used not much will be left to be worried about. I recognize that we have a special relationship with the United States, and we cannot escape from it even if we want to. It is based to some extent on geography and proximity but also on a common interest in the security of this continent, the rest of the free world and the less developed countries of the world. That relationship should mean that we can regard the United States as a friend and ally and that we can expect from the United States the consideration that close friendship and alliance involves. I do not ignore the fact that the United States is sometimes wrong. In Canada, we are sometimes wrong. Neither do I ignore the fact that there are occasions when our interests and their interests clash. By and large, however, we have common interests, common aims and common purposes.

We must also recognize the awful responsibilities carried by the President of the United States who must make decisions in this field. He carries the responsibility for the defence not only of his own country but, indeed, for the free world. So, although we must consider the effect United States policy in this field will have in this country, we ought to be more concerned about its effect on the peace of the world and the fate of mankind. The Canadian people ought to know what that decision entails for them.

There is a real possibility that if the U.S.S.R. develops an anti-ballistic missile defence, that any missiles it fires may violate

Canadian air space. If we are concerned about the actions of the United States in this field, we ought to be equally concerned about possible actions taken on the other side of the North Pole. I do not see how the United States decision is provocative in the sense that it is likely to cause an outbreak of nuclear warfare. I am not an expert in this field and I am not passing judgment on how effective the missile system is. That is primarily a matter for the United States to decide. But if we consider this matter in terms of whether building that defence system is a provocation to war, the view of my party is that it is not a provocation. That is, we do not think this decision is likely to make the outbreak of nuclear war more likely. On the other hand, there is evidence that it will lead to escalation of weapons and that the U.S.S.R. will increase its capacity to build missiles to pierce any defence system that might be built on this continent.

• (9:00 p.m.)

This anti-ballistic missile defence system may well lead to escalation in this sense, although I do not believe it is provocative.

It might very well be with this kind of system a wild missile or missile sent by mistake could be dealt with by the A.B.M. defence system rather than by massive retaliation caused by a false alarm. It might be argued that the anti-ballistic missile defence system might reduce the possibility of an outbreak of nuclear war by accident. On the other hand, it may lead to an escalation of investment in nuclear weapons.

It is regrettable the President of the United States felt it necessary to make this decision because of its effect on potential United States foreign aid in assisting underdeveloped nations. I agree we should emphasize the importance of efforts in the area of disarmament. I hope the Prime Minister on his visit to Washington emphasizes to the President the importance this country attaches to this and our concern in this regard.

The responsibility for decisions relating to the defence of the United States rests with the United States government, but we are partners in defence, NATO abroad and NORAD on this continent.

But I do not agree with one view expressed by the Prime Minister. As I understood him, we cannot claim any right seriously to be consulted with regard to an anti-ballistic system because we have chosen not to be involved in that system. We are partners in continental defence and as such I think we have the right to be consulted as allies and partners. I do not think we would expect the right to veto a decision taken by the United States with regard to a matter considered vital to the defence of that country, but as partners, I believe we have the right to be informed and to be given an opportunity to express our views on matters relating to the defence of the continent, even though we are not involved in the financing or in the administration of what is proposed. I reject, Mr. Speaker, the position taken by the Prime Minister in this regard.

If we have not been consulted, the Prime Minister should make it clear to the President of the United States that if we are to be partners in defence we ought to be consulted and fully informed. I am not certain as to the degree to which we have been consulted as a neighbour and ally of the United States. I have spoken before about the special relationship between our countries based upon proximity. I emphasize our right to be consulted.

I do not think the government has been clear as to the extent to which there has been consultation at the various stages. The Prime Minister stated there had been minute consultation on the various stages, yet on Tuesday he explained the government was not making a clear statement as there had not been time since the previous Friday to consider all the complex implications. I do not want to be critical. I do not know all the complex implications, but I know the matter of the possibility of an A.B.M. system being established in the United States has been discussed for some years. I find it difficult to understand that the appropriate officials and the responsible ministers in Canada are not fully informed. They have not made a point of being fully informed as to all the implications. I do not understand why the government of this country as a partner in North American defence, has not insisted on having all the necessary information in order to be fully informed on this matter. If it is a fact that we have not been fully informed on these momentous matters, then we must conclude that the relations of this government with the government United States are in a rather primitive state.

I must assume that Canada was consulted or informed to some degree well in advance. If not surely the government would have been frank about this in the house and would have protested the discourtesy of the United States. There has been no protest as far as I

am aware. I do not want to be nit-picking, but I do not think it is adequate for the Prime Minister to suggest that Canada has no right to be consulted about this. It must be apparent to the government that we have every right to be consulted.

The Prime Minister stated he has not enough information to make a decision. We know these matters have been considered in the United States for years and that certain information has been given to Canada. I fail to understand why the government of Canada has not insisted upon being fully informed, if in fact this was not done. I want to emphasize that I reject the regrettable position taken by the Prime Minister that we are not entitled to this information. Surely, the government has now learned there are complexities in this matter of consultation.

• (9:10 p.m.)

The Acting Speaker (Mr. Béchard): I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Stanfield: I shall be just a few more moments. I do not think parliament or the country will much longer accept the excuses of complexity relating to government policies, including defence policy. The Prime Minister has emphasized that he has wanted to go to Washington with an open mind. He has wanted to go there untrammelled and he is not going from the narrow point of view of expressing concern about danger to Canada although he has reserved the right to raise this question, but with a free hand to reject the American decision. Mr. Speaker, the American decision has been taken; the American decision has been made. What is the use of going to Washington with an open mind when the President of the United States has already made up his mind? What is the good—

Mr. Trudeau: What is your mind?

Mr. Stanfield: Mr. Speaker, I am trying to be perfectly frank with my right hon. friend, the Prime Minister. I am going to sum up for him so that he can understand my position.

Mr. Trudeau: You have not got an open mind.

Mr. Stanfield: I want to be very emphatic, Mr. Speaker, and make it very clear that I think the Prime Minister and the government have a responsibility to the Canadian people to insist upon being consulted. I think the Prime Minister had the right and the duty to insist that Canada should have been fully informed before the decision was taken by the United States.

I want to make it perfectly clear, Mr. Speaker, that in my opinion it is not satisfactory for the Prime Minister of Canada to go to Washington after a decision has been taken by Washington, to try to influence a decision now made and which the Prime Minister has known for some time that the President of the United States had under advisement.

An hon. Member: He should be a mind reader?

Mr. Stanfield: One does not need to be a mind reader. All of us know that an A.B.M. system of some sort has been under discussion in the United States for a good long time. So, Mr. Speaker, my own view is that we had a right to be consulted. I think we have a right to consult, and I hope the Prime Minister will make the point in Washington that we do have such a right. I hope he will express regret that the President has felt it necessary to make this decision. But I want to emphasize this, Mr. Speaker, that I do not say the decision is provocative in the sense that it brings nearer the possibility of a nuclear war. I do not take that position. I want to be perfectly clear in this respect with the Prime Minister, but I do believe that the decision is likely to provoke some degree of escalation.

I do not understand what the Prime Minister hopes to gain by going to Washington after the decision has been taken, even if he is going to disapprove of the decision.

Mr. Trudeau: So, I should not go?

Mr. Stanfield: Of course, my right hon. friend should go. There are many other things he should talk about.

Mr. Trudeau: I won't talk about that?

Mr. Stanfield: Let us not quibble, Mr. Speaker. I have tried to be perfectly clear about what the Prime Minister should do and what he should have done before this.

Mr. Sharp: Before the decision was taken?

Mr. Stanfield: Yes.

Mr. Sharp: How would he know?

Mr. Stanfield: He would know, Mr. Speaker, by insisting upon the right of Canada to be consulted, and I think this is one of the

points the Prime Minister ought to insist upon in Washington rather than the view he took that we have no right to be consulted with regard to this matter.

Finally, Mr. Speaker, I repeat that I do not think we have any right of veto with regard to this matter. I think the government of the United States in the existing circumstances has the ultimate responsibility of making the decision which it considers necessary to its defence. I think Canada ought to have had an opportunity to influence that decision, but I do not question the right of the United States to make the decision. I am not rising in my place in this house to accuse the United States of doing something that is leading the world nearer to nuclear war because I do not believe that, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Stanfield: But I do believe that this is going to lead to escalation. I do believe that the government of Canada ought to have insisted upon consultation and not opted out of its responsibility as unfortunately, I believe, the Prime Minister has done.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Cadieux (Labelle): Mr. Speaker—

Mr. Bernard Dumont (Frontenac): Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Frontenac is raising a point of order.

Mr. Dumont: On a point of order, Mr. Speaker. As members of the opposition, could we not express the opinion of the Ralliement Créditiste before hearing the reply of the Minister of National Defence?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): The hon. member for Frontenac.

Mr. Dumont: Thank you, Mr. Speaker. I am grateful to the house for giving me the opportunity to express our opinion on a matter very important to us. In fact, we have known here moments nearly as tragic as the Cuba incident and the year 1963 when an election was called on the question of nuclear warheads which were supposed to bring us permanent security.

We, of the Ralliement Créditiste, greatly regret that the United States did not consult Canada before taking the important decision of setting up near our borders the Sentinel defence system which astounds us, because of the danger of collective suicide which it represents.

Mr. Speaker, when I talked this evening with my family, I felt that they were anxious and concerned, so much so that my 17 year-old daughter told me: "But this is sheer madness."

Our youth, Mr. Speaker, is concerned about that Sentinel defence system which will cost some 40 billion and which the president of the United States was compelled to approve. In fact, we realize that our American neighbours have obviously become warmongers. In addition to the wars in Korea, and Viet Nam, we have discussed nuclear war-heads in 1962 and 1963. Now president Nixon is compelled by those financiers who want wars at any cost, to agree to an expenditure of some $40 billion.

Those preparations for war by a country which does not bother about its neighbours and dares to endanger the lives of Canadians is simply outrageous.

As a result of that decision, I think that lesson should not be wasted on us. It applies especially to the old political parties. The Progressive Conservative party was compelled to accept nuclear war-heads, and the program has been continued by the Liberal government.

And today, the president of the United States—because the American elections cost more than $15 million—has to obey the dictates of those millionaires who contributed millions to his campaign and force him to award them contracts. In fact, immediately after the elections, we learned that Western Electric was awarded a $475 million contract, to be let out to 3,000 sub-contractors. The United States can spend $40 billion for war but they seem unable to solve the problems of the Negroes who are considered as outcasts, although they helped build Uncle Sam's country where humanity is supposed to be so flourishing

Far from it. I say that those alleged benefactors of humanity are economically feeding on the lives of the unfortunate victims of those wars, or they want defence systems which tomorrow would lead to the destruction of the Canadian people.

Besides, who has forgotten the horrible sufferings endured by Japan when Hiroshima

was destroyed? The horror the atomic bombing provoked in the world did not disturb these vile people who are convinced they are more powerful than God.

Mr. Speaker, we cannot prevent this country from going ahead but we should be able to express our indignation at such aggressive moves because we must be wiser than they are. I ask the Prime Minister (Mr. Trudeau), at the meetings on March 23 and 24, not to follow the exaggeration of the Americans who believe their hunger for domination allows them to organize the world's defence at any cost, even that of the annihilation of Canada.

• (9:20 p.m.)

We Canadians should have the wisdom to build up for peace instead. Only last year a meeting was held in the United States to discuss air and water pollution which practically threaten to wipe out mankind, but they did not manage to solve the problem. Yet, that same country was able to find $40 billion to carry out its foolish Sentinel defence program. This is why I suggest that the Prime Minister should put a bit of wisdom in the minds of those warmongers who may lead mankind to its doom.

As I said earlier, we must build for peace. We have never pushed back that all-powerful country and we are convinced that we shall have to accept its decisions.

We say therefore: Let us build for peace. Let us find solutions to the unemployment problem and to air and water pollution. Let us be an example to the world and let us say to the Americans: You should be more realistic and acquire more wisdom. Let your efforts strive sincerely to ensure peace and security in the world, to abolish war forever.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I would like to be able to adopt a literary style to speak about such a serious subject as the one we are discussing tonight.

The Cuban crisis for which the Americans were blamed when they were directly threatened, has been mentioned as well as $40 billion when the amount involved is $6 or $7 billion. The Korean war was mentioned as if it were a blot on the American escutcheon, when the undertaking was initiated by the United Nations. Some mention was also made of the Bomarcs, although they have nothing to do with the question before us.

So, faced with this spate of arguments that have no bearing on our discussion tonight, I feel somewhat out of tune because I wanted to offer the kind of information of which, to my way of thinking, the Canadian people should be made aware in order to be able to assess the situation in a calm and reasonable manner.

I am sorry, Mr. Speaker, that I cannot follow in the footsteps of the opposition leaders, to say on the one hand that the American government is free to make whatever decisions it wishes with regard to its security, such decisions being exclusively under its jurisdiction, and, on the other hand, that we should protest because our opinion was not sought beforehand.

I remember when the NORAD agreement came up for renewal, when those same parties wanted the Canadian government to make known in no uncertain terms that it was not interested in participating in anti-missile installations on the North American continent.

Those same people tell us today, after insisting that the government make known its lack of interest: Demand that the American government consult you before making decisions.

Mr. Speaker, I only wish to give some information which I consider necessary, as I said, and I shall not, like my friend, the leader of the New Democratic party (Mr. Douglas), quote sources which are only critical of the military efforts made in this country or elsewhere for defence purposes and which have never any solutions to offer.

According to them, it is a matter of coining what I call "dirty words". The same tactics have been tried before about the Bomarcs. It has been the case for the CF-104 and the nuclear warheads also. Now it is being done about the ABM system.

I think we should for once think about this and perhaps try and find out whether there is something in this situation which offers some hope. In the light of all these joint efforts by different countries and alliances, we should try to discover what attempts are being made to achieve what everyone of us is looking forward to: a détente and eventual de-escalation and disarmament.

At least we did achieve something recently. For whatever it is worth, this appeal must be heard. It originated from Budapest, from another military bloc and it appeared to intimate that discussions should be undertaken in order to arrive at this de-escalation everybody is hoping for.

Mr. Speaker, we should, to some extent, be reasured by the statement of the President of the United States. There is one paragraph of it I would like to quote in which it is clearly indicated that the U.S. president was indeed trying to avoid this escalation and to have this Safeguard project interpreted as an indication of the desires of the Americans of insuring a détente and of having the time needed to attain this objective.

All the necessary time must be afforded so that discussions will get under way and it is hoped that moderation will prevail. Here is one sentence which I think is very important. It was said by the President of the United States:

> The modified system has been designed so that its defensive intent is unmistakable. It will be implemented not according to some fixed theoretical schedule but in a manner clearly related to our periodic analysis of the threat. The first deployment covers two missile sites; the first of these will not be completed before 1973.

[*Translation*]

Mr. Speaker, in the face of such wisdom, I am sure that next week, the Prime Minister will find a counterpart as receptive as he is, who has no prejudice either, nor any preconceived ideas, and who has not already taken positions he cannot change, but who is rather anxious to find solutions. Both will have discussed together the possibility that perhaps, through their concerted efforts, they could eventually work toward the promotion of that détente and that disarmament.

Mr. Speaker, I have not much to say. If I may, I would like it to appear in *Hansard*, because all kinds of concern have been raised by saying that the Americans had never consulted us adequately, and that Canada was uncertain and ignorant of what was happening in the United States.

I simply wish to put in *Hansard* a few facts which I believe must be known.

• (9:30 p.m.)

[*English*]

Ever since the early American research on the NIKE ZEUS anti-ballistic missile defence system ten years ago, the Canadian Department of National Defence has taken a close interest in the problems of ballistic missile offence and defence. We have never thought of participating in the offence, but we have been keenly aware that developments in defensive systems could have great significance for us. It was important to know whether Canadian geography would be vital for the defence of North America against missiles, as it is in fact for defence against bomber aircraft. It was necessary to be able to assess the probable effectiveness of defensive systems, and to evaluate dangers to population that would be posed by such systems. Only with such knowledge would we be in a position to judge what was the best course of action for the protection of the Canadian population and for the pursuit of stability on the international scene.

The U.S. government has some limitations on the extent to which it releases information concerning nuclear weapons, and its research in the fields of missiles and anti-missiles is of course highly secret. Nevertheless, the Americans have given us access to a considerable amount of information on the progress of their A.B.M. research, sufficient to permit us to make our own independent assessments of the successive plans.

The plans for the "Sentinel" system were shown to our Minister of National Defence in April 1967, five months before the public announcement by Mr. MacNamara. We have studied the implications of such a system to Canada.

I wish to state that the Canadian government has been well aware of the potential importance of A.B.M. for several years, and has received the co-operation of the United States government in provision of the technical information necessary to enable us to make our own assessments of the benefits, dangers and implications of successive developments.

The objectives of the new United States system have been stated as protection of their land based retaliatory forces against a direct attack by the U.S.S.R.; defence of the American people against an attack from China, and protection against an accidental launching of a missile from any source. They have not requested that any of the defensive equipment be located in Canada. We believe from our analysis that it would be possible for a system located south of the border to afford protection to a number of population centres north of the border, if the defensive plan and the firing doctrine so provide, but we have not requested that this be done.

The new Safeguard system makes use of the same components as Sentinel, which consisted of two radars; the Perimeter Acquisition Radar (PAR) and the Missile Site Radar (M.S.R.) and two anti-missile weapons: The Spartan and the Sprint.

Firing of A.B.M. Warheads over Canada

An attacking I.C.B.M. is expected to be first observed over the polar regions by the Ballistic Missile Early Warning System (B.M.E.W.S.). It will subsequently be acquired and tracked by the PAR which has a long range capability of more than 1,000 miles. Information is then passed to control posts where computers process the data and, on receipt of a firing order, the M.S.R. guides the Spartan missile to make its intercept.

The Spartan missile has a horizontal range of about 400 miles with a somewhat shorter vertical range. The effectiveness of Spartan depends on the detonation of a very large nuclear warhead in the near-vacuum of outer space.

The Sprint missile complements the Spartan system by making its interceptions lower than Spartan, and can destroy I.C.B.M.s in their final approaches to the target. Sprint has a much shorter range than Spartan, being able to reach about 35 miles from the launch site. Because the intercept occurs at low altitude, Sprint has a very much smaller warhead yield than the Spartan.

If long range "Spartan" A.B.M. missiles, sited near the Canadian border, were fired against ballistic missiles approaching U.S. targets from the north, it is probable that some of their defensive nuclear warheads would explode above Canadian territory. These explosions would occur well above the atmosphere where the Spartans are designed to destroy or neutralize the I.C.B.M. warheads so that they could not detonate. Spartans are programmed to make their interceptions at a high enough altitude to prevent damage to people living beneath the bursts.

In contrast, if the attacking missiles were to penetrate to their intended targets and burst on the ground, very heavy fallout would ensue, which would be spread by the winds over a large area of the United States and Canada. Consequently, from the point of view of fallout, the presence of the defensive system is a distinct advantage if you accept the possibility of a nuclear exchange. Contrary to popular belief the fallout resulting from high altitude nuclear bursts does not constitute a more serious hazard than that to which we have already been subjected during nuclear tests in the atmosphere.

The shorter range Sprint A.B.M. missiles would also be burst at altitudes high enough to avoid serious damage to populated areas on the ground, but it is unlikely that they would have sufficient range to reach as far as the Canadian border in the new Safeguard deployment.

Under unfavourable conditions where the Spartan engages the I.C.B.M. below the minimum designed altitude over Canada, the following harmful effects could be possible, but the possibility of these occurring would be very small: some fires might be started in inflammable material; anyone who had skin directly exposed to the burst might receive burns; some window breakage would be apt to occur, and possible temporary flash blindness might take place.

These results are very minor compared with the casualties which would result in the vicinity of the target, or indeed over a wide area in the event that the attacking missile burst on the ground and produced widespread fallout.

An hon. Member: Would Colonel Blimp rout them?

Mr. Cadieux (Labelle): You do not understand what I am trying to prove to you.

An hon. Member: We have heard this before.

Mr. Cadieux (Labelle): You know all about it. You are a critic, but what have you to offer?

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister will perhaps remember the Bomarc missile which was going to "cook" the warheads so there would be no fallout. That theory has been completely discredited.

An hon. Member: By whom?

Mr. Cadieux (Labelle): Mr. Speaker, I simply hope—

An hon. Member: By James Eayrs.

Mr. Cadieux (Labelle): —that the foregoing will prove helpful to the house, and to some people outside the house, in their appreciation of the complexities and significance of what we are talking about in respect of this defensive system. This is the only contribution I wanted to make. I think some factual information is necessary in this particular debate.

• (9:40 p.m.)

Mr. Stanfield: Mr. Speaker, would the minister permit a question?

Mr. Cadieux (Labelle): Yes.

Mr. Stanfield: First of all, may I thank him for giving the house some solid information. I

ask the minister whether there is any information that he has felt it necessary to have in this regard that he has not been able to get from the United States.

Mr. Cadieux (Labelle): Do I understand the question correctly, Mr. Speaker—whether there was any information we requested that we did not get?

Mr. Stanfield: Any information the minister feels he needs to assess this matter which he has not been able to get from the United States.

Mr. Cadieux (Labelle): No, I would not say so. I think we secured all the information that we needed. As a matter of fact, there is a joint committee of the armed forces that has been studying these problems.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I suppose we could rejoice that the Prime Minister (Mr. Trudeau) will be able to go to Washington with a copy of *Hansard* for the President.

Some hon. Members: Oh, oh.

Mr. Fairweather: But this is a serious matter and I think it really proves the usefulness of the rule under which we are having this debate. It is perhaps a pity that this parliament has not taken the next step in the educative process and allowed television into the house so that what we do here, badly or well, can be shared with the people of Canada.

The Prime Minister said that Canadians are involved in this and other issues as world citizens in that science has made us all neighbours. Because I understand some things better than I do science, I can recall a speech made by the former President of the United States, President Kennedy, in New Brunswick, when he quoted the poetry of Robert Frost who said that good fences make good neighbours. I presume this is really what is behind the trip of the Prime Minister to Washington; and he goes, I am sure, with the good will of this parliament.

While I am dispensing good will, if that is of any value to anybody, I think it is an opportunity to say how much we welcome back the leader of the New Democratic party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). In his first really crunching debate he has had some success in getting you, Mr. Speaker, to recognize that it is important for Canada to have the discussion in which we are involved. He said that the problem is the most important one of our age. Perhaps he would agree that we did not come across that truth today; we came across it some 25 years ago when science made the implications of the atom so evident to the world.

It is a difficult debate because I think we cannot be like the Pharisee and stand in this parliament and say: Thank God we are not as other men. That is perhaps a temptation we have often in this country when we think about our relations with the United States. The debate is difficult because really what we are being asked to do is provide some sort of a sound-track for the Prime Minister when he meets next week with the President. I suppose it would be easy to bring out a series of editorials and comments from the United States press, as well as commentators upon that press who are in this country, and make a contribution to our understanding of international affairs. But I have resisted that temptation because I do not think it adds very much to an assessment that we have to make. What information, for instance, could I give that would help the leaders of the two countries next week?

I think it is important to remember that the debate is not by any means over in the United States. In spite of the President's decision, he has not any money allocated, yet, and two of the most important Senate committees, the foreign relations committee and the defence committee, are even now arguing about which one will have the responsibility of considering the President's decision.

I suppose many of us heard Senator Fulbright just this past Sunday in what seemed to me to be a compelling recapitulation of evidence that had been given by three distinguished scientists in the United States which showed, according to the scientists and to Senator Fulbright's comment on what they said, how ineffective really is the A.B.M. system. It is fair to say that many thoughtful people, on the basis of the information they can gather, share that view.

We as Canadian parliamentarians watch the debate, share the concern of the United States and choose our sides even here, as do, presumably, people who have different views even though they are within the same party. But I wonder if we send urgent messages to Washington suggesting that, as a matter of judgment, President Nixon is right or wrong. I am glad that other speakers have mentioned the supremely important work being undertaken by Mr. George Ignatieff at Geneva. It is

here that I hope the Prime Minister will be able to remind the President, if in fact he needs any reminding, of where the on-going work of the world needs to be done; because surely nobody, not even the President, can take very much satisfaction in the fact that he felt compelled to take the decision he did last Friday. We wonder at any country being able to commit so much of its treasure, in spite of what the Minister of National Defence (Mr. Cadieux) has said. I think perhaps he was answering another speaker. But it seems to me that $7 billion is a fair amount of money to spend on an untested system. However, I will leave that to others to judge.

The other thing I think it is important to underline is that escalation, of course, is a two-way manifestation and that just as we worry about what may be happening in Washington, so too our urgent concern must be as to what the response will be in Moscow. I think we want the President of the United States to know that, as was so interestingly put the other day by Mr. Escott Reid, a distinguished citizen of this country, really the major problems that we face as a country, and in fact many people in the world share our concern, in the next 20 years are first those with regard to the People's Republic of China with her 700 million people, now outside the ordinary diplomatic ambit of so much of the world community and outside what should be a world body with universality of membership.

• (9:50 p.m.)

Second, and other speakers have spoken of this, two thirds of the peoples of this earth, if they have any knowledge of this debate about the United States and A.B.M., must wonder about countries that can talk about billions of dollars worth of hardware when they, themselves, in fact have not enough money to feed themselves.

The Montreal *Star* published a series of articles on its 100th anniversary about the human condition in 1969. One of them, written by Paul Ricoeur contained a paragraph that might be appropriate. He wrote:

War is the most immediate expression of political violence, because it is the most obvious form of it. The phenomenon of war results from the fact that the State exists historically only because it is the result of a particular will, ... States on the international scene, may be compared to individuals, for both are capable of violence; but whereas the violence of individuals is limited by the existence of laws backed by public force, States behave historically as individuals who no longer recognize any law other than their own arbitrary will. They will continue to do so until an international law, backed up by an international force, will impose itself on the wishes of each individual state.

These words could have been said by so many of our leaders. As a matter of fact they were said by the former prime minister, although not in quite the same language, in Mr. Pearson's Reith lectures this spring.

Paul Ricoeur went on to say:

We are very far indeed from this world state which presupposes a major revolution in human relations;—

The tragedy is, it seems to me, that we know that this is so and that we know that it is within the mind and wisdom of man to do this thing. It has been clearly and compellingly stated many times for many years. Paul Ricoeur went on:

—up till now, and for thousands of years, men have identified themselves with the nation to which they belong; and these nations, organized into states, become centres of decision-making and figure on the stage of history as strong-willed and arbitrary individuals. No one knows how humanity will be able to rise above the stage of nation and nation-state and invent "the perpetual peace" dreamed of by the 18th century philosophers.

It may be that the dreams of the 18th century philosophers can become reality, perhaps not in the 20th century but we are fairly close to the 21st.

The Prime Minister mentioned Barbara Ward who, I suppose, better than most other people on earth, articulates the real problems of our day. I thought I would quote what that special person said at Expo in her Noranda lecture, but others will want to speak tonight, so I will indulge in the ultimate vanity and quote no one other than myself from a talk which I gave at a seminar at Couchiching on U.S.-Canada relations. The part I will quote is short, but it seemed to me to be a valid ending to a comment on this terribly urgent issue. This is what I said:

Most of the issues that face Washington and Ottawa are parallel. We have an obsession about this independence bit,—

I must confess that this was said extemporaneously, as will be seen.

—and I think that the obsession's in danger of being elevated into a cult.

A second prejudice I have is about those super lovers of everything which emanates from Washington.

There are two sides to this. There are those who are ready to say: "We are ready. If Washington tells us to do something we salute

and march off". There is no place for that either in this country. I went on to say:

> The third prejudice is about those who have the simple view that the world is just a matter of polarization, those espousing communism and those who favour free enterprise.

It is not quite that easy, as we have been reminded many times before.

So, as we pursue this debate on our relations with the United States of America and on the eve of the Prime Minister's visit to Washington, we might remember that sometimes we do not want to be independent of a person who said not so long ago when speaking of international commitments that there were dangers. He said that the first is that of futility, the belief that there is nothing that one man or one woman can do against the enormous array of the world's ills, against misery, against ignorance, against injustice or against violence. He said the second great danger is that of the expediency of those who say that hopes and beliefs must bend before immediate necessity. He said that the third great danger for countries that are pretty self satisfied as we are, is comfort, the temptation to follow easy and familiar paths of personal ambition, financial success so grandly spread before those who have the privilege of education. Those were the words of the late Senator Robert Kennedy, and we do not want to be independent of those views in our search for a sensible and reasonable response to the United States as she faces, as my leader said, awful responsibilities.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise to participate in this debate on what I think is perhaps the most important issue that is facing Canada and the world, that is the question of nuclear arms proliferation, where the world goes from here, and the general attitudes and policies that we should follow as a nation in trying to promote a harmonious world.

To begin with, I should like to quote a paragraph from a book entitled "The Violent Peace" which contains a chapter entitled "What is Peace". I think this is a good introduction to a debate of this sort. It reads as follows:

> The choice between peace and war is as basic to mankind as the choice between life and death. In the past few thousand years, man, one of many species, has pre-empted the earth; in the last 100 years he has proceeded from the internal combustion engine to the hydrogen bomb to flights into space. Still, the roots of war are deep in his heart, lodged in fear, ambition, a thirst for vengeance, hate. Since every human being lives with these emotions day by day, the "absence" of them is difficult to conceive. But if true peace is a quality "which passeth all understanding", it is nevertheless the only alternative to death.

I think this, in itself, demonstrates the importance to Canada of a debate such as this. I think it also brings out our responsibility as members of parliament on an issue of this sort to try to dismantle what I call the powder keg that we have in the world today. Many people, especially in my generation, are concerned about this in many different ways and for different reasons, merely because I believe we share some characteristics that were not found in other generations. First of all, today many young people were born after many of the international disasters and troubles that have hit the industrial states, such as the great depression and the second world war. They were born after many revolutions such as the revolution in Russia and the civil war in Spain. They were born into a world that has a fair amount of material wealth and stability. Moreover, they have been born into the nuclear age with all its ramifications. They were born after the bombing of Hiroshima and Nagasaki. They saw the destructive potential of nuclear bombs and nuclear energy; they were made aware of the uncertainty of life and realized the frustration which this brings.

• (10:00 p.m.)

This is why so many young people are protesting. They are protesting against the uncertainty which is being created not only for themselves but for generations which are to follow. Their historical imagination is not bound by the past. Young people have an unhibited sense of the future and it is this concern for the future which sets their standard for the present.

Today we are relying basically on a balance of terror which seems to be threatening the world on all sides. It is ludicrous that we can reach into space when we cannot reach out to fellow human beings to try to understand them, or do much to improve conditions for those who live in deprived circumstances. There are many contradictions in our society. For example, we stockpile weapons—the Minister of National Defence (Mr. Cadieux) spoke about this tonight—we talk about new weapons and new technology, and we do this in the name of peace, in the name of promoting some kind of stalemate supposed to lead to security. Meanwhile, there is evidence of poverty in our society, evidence of growing

disparities in living standards and increasing discrimination. We compromise constantly in the name of efficiency.

An hon. Member: All right. Let us have some answers.

Mr. Nystrom: We talk about communication, yet we refuse to communicate. We talk about co-operation but we refuse to co-operate. We talk about the equality of man, yet we live by the law of the survival of the fittest.

The Secretary of State for External Affairs (Mr. Sharp), for example, talked about Canada and the United States having consulted each other for years over these questions. On the other hand, the Prime Minister (Mr. Trudeau) tells us we do not have enough information because we have not been consulted. This type of thing happens constantly. For instance, in the Ottawa *Journal* of March 18 I noticed a little article which said under the heading "Nixon seeks A.B.M. talks with Russia":

> President Nixon informed the 17-country disarmament conference today the United States hopes to start talks with the Soviet Union in the near future on limiting anti-ballistic missile systems.
>
> His remarks came in a message to the first session of the talks after a seven-month recess.

As I say, there is talk about co-operation but in practice we do not find co-operation. Because of these and other contradictions in our society young people say this amounts to a betrayal not only of their generation but of people in general.

This is the situation which prompted me to take part in the debate tonight. The action we are now discussing is regressive. The A.B.M. system would increase tension in the world, it would increase polarization, it would increase the animosities of the cold war, it would increase hatred and perpetuate fear instead of promoting a sense of security and understanding. It is a betrayal because it runs counter to some of the basic principles of life; the need to understand people, to co-operate with them and to communicate. It polarizes the world, it strengthens the force of regional pacts. It destroys the bridges which have been built toward understanding and toward trying to avoid a nuclear war. It causes the nuclear build-up to escalate and makes the whole country a powder keg. I hope the Prime Minister will confirm the statement he made a few days ago to the effect that the most important issue at stake here was the peace of the world as a total entity. I hope he does so because today, as a result of advances in technology, economics and communications, national boundaries have lost their old significance and nations are becoming increasingly interdependent.

For reasons such as these I believe we should ask a great many basic questions when we consider the A.B.M. system. We should ask what effect this system is likely to have on the military objectives of Canada and the world. We should ask what effect it is likely to have on the security of our country and the world, what effect it is likely to have upon the creation of a saner world, upon progress toward the eradication of poverty and the promotion of understanding and concern for each other. Canada is bound to be concerned about military objectives and the military aspects of the A.B.M. system. This must be so because we are members of NORAD. For this reason I believe we should take part in consultation with the United States. After all, we have a joint security plan and for this reason it is necessary for us to communicate with our neighbours. We should also be concerned by reason of our many political and economic ties with the United States. There is, too, the fact that Canada finds herself unfortunately between the two mightiest nations in the world in terms of military power, the Soviet Union and the United States. There should, therefore, be constant communication and consultation between our two nations as long as we have a joint military and production policy.

Another aspect is that we are close to the United States border, and when that country instals A.B.M. bases on its frontier the implications are alarming. What effect would this have on civilians in Canada? I think we have yet to learn all the answers; the Minister of National Defence, the Prime Minister and the Secretary of State for External Affairs all seem to give us different information on this point. In my view, each of us should be concerned about the kind of choice which might be available between the A.B.M. system and NORAD. We all want to know whether this system will be integrated. We also want to know why we have been ignored in many of the preliminary consultations. In general, a system of the type proposed leads only to escalation instead of to accord and harmony. I should like to quote a paragraph from an article by Jerome Wiesner, former science advisor to President Kennedy:

> We always underestimate our own capabilities and overestimate those of the other fellow. I think this is true of both sides, and it generates what I call a parallax effect. That is, if the Russians

build a defensive system, we think it is better than it is, so we overbuild in order to penetrate it, and vice versa. Thus there is the real possibility that when everything is stabilized at some higher level and we are all relaxed because we have become used to it, the potential for destruction will have gone up instead of down.

This is what continuous escalation leads to. I guess there is truth in the old saying that there is nothing to fear but fear itself. It is this fear which contributes to the stockpiling of weapons throughout the world and the proliferation of arms. Worst of all, it polarizes the world community into two separate blocs as the hon. member for Fundy-Royal (Mr. Fairweather) mentioned.

What is the over-all effect of the A.B.M. system on national security and on world security? As I have said before, it will be to create difficulties rather than to solve them. We are proceeding on the basis of might being right, rather than in the direction in which the younger generation want to see us move. Why should there be any need for the A.B.M. system? Some would say it is required to preserve the balance of power for the protection of the United States. But whenever a balance is reached there is escalation on one side or the other. The weapons are built up, and some day someone will flip the switch and the powder keg will explode.

• (10:10 p.m.)

The United States has also introduced this A.B.M. system because it is afraid of communism and wishes to combat it this way. Third, and most important, certain industries that supply the military in the United States wish to keep the United States a military nation. May I first talk about my second point, the reason for the United States to introduce this A.B.M. system. As I said, part of the reason is fear of communism. I know hon. members opposite have interjected to the effect, "Does Russia consult us?" Of course, they do not. Russia will never consult us while the present atmosphere of distrust prevails. We ought to create some sort of understanding among the world community. We should try to avoid polarizing the world into east and west, communist and non-communist.

An hon. Member: But they have socialists in Russia.

Mr. Nystrom: That kind of remark coming from one of the hon. members for the Windsor area helps to polarize the world and keeps the world in a state of perpetual fear. That is why we are living today in a state of perpetual insecurity.

Commenting on this question, an article in the *Globe and Mail* of February 7, 1969, said the following:

—Insurance against a Chinese attack upon Canada is best provided not by its participation in any U.S. so-called 'Chinese-oriented' BMD system (deploying Spartans and Sprints in the point-defense of Greater Vancouver), not by any other military preparations. It is best provided by political measures—recognition of the People's Republic and the conclusion with its Government of a Canadian-Chinese non-aggression pact.

That is what I should like to see happen. We need to bring China into the international community, try to understand her and communicate with her. When you leave a quarter of the world's population outside the international community, you will only have trouble and insecurity in the world.

Instead of spending so much money on weapons we should be spending more money on trying to feed the hungry part of the world and upgrading their living standards. U Thant said that as long as we have hungry people and suffering in the world, we will not have peace and security. If we were hungry in this country, I am sure we, too, would be restless.

Some of our people keep saying that the Chinese are irrational and when they have sufficiently developed their new weapons they will lob them on New York or Washington. I say that we ought to understand the Chinese, bring them into the world community and consult them. Many leading congressmen and senators in the United States are now talking in this direction. They say United States defence policy ought to be revamped.

Writing in the Winnipeg *Free Press* of February 3, 1968, Air Vice Marshal Bob Cameron had the following to say:

The arguments Mr. McNamara used to oppose his military chiefs may make good theoretical sense. (I happen to agree with them.) But I very much fear that ABM defence is like many other gadgets in the shop window these days. They can be expensive, of doubtful value, and seldom required. But having been invented, they seem to sell.

That may be why the A.B.M. system is being installed in the United States. I sometimes think that maybe the end of the Viet Nam war is in sight and some industrial giants in the United States supplying military hardware may be worried about where they can earn money in future. Producing an A.B.M. system will bring them a great deal of revenue.

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I ask, where do we go from here? How can we prevent this polarization of the world into two factions? What can we do to make sure that some money now spent on defence goes to feeding the hungry of the world? We ought to work towards the creation of a viable world community. I should like to see us withdrawing from all regional military pacts such as NATO and NORAD. If we do, Canada could become the leader of the middle powers. Our action may even prompt Warsaw pact and SEATO treaty nations to diminish their armed forces. We could be instrumental in building bridges toward understanding and communication in the world. Our action could lead to a better life for all the peoples of the world. That is the direction in which we must go if there is to be a future for us and our children.

In conclusion, Mr. Speaker, may I ask the Prime Minister to consider some of these matters when talking to the President of the United States next Monday. I conclude my remarks appropriately by quoting a paragraph from a speech Senator Rabi gave. He said:

> A country is more than its economic capacity or its material possessions. It has a personal, spiritual, psychological side—it is a culture.
>
> Those of us who are teachers and close to young people know the degree to which they have been alienated by all this expenditure on military things. When they see the government putting out tremendous sums of money for military purposes, and then observe the government's reluctance to invest in the solution of domestic human problems, they see a reorientation of our national policy which they believe is turning us into a garrison state. If I have any trust in the American people, I can't believe they will stand for it much longer.

I plead with the government to re-examine our defence policy and foreign policy in general.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister (Mr. Trudeau) and the Minister of National Defence (Mr. Cadieux) have replied to most questions that have been raised tonight by the opposition. I intend, in speaking briefly in this debate, to amplify a few points that seem to be relevant. I will speak about three matters which seem to bear upon the question raised by the leader of the New Democratic Party and that will, of course, be the subject of discussion between the Prime Minister of Canada and the President of the United States next Monday and Tuesday.

I should like to make a few brief comments on the international strategic considerations

[Mr. Nystrom.]

flowing from the announcement of the United States and the effect on east-west relations. I shall also comment on some problems of particular concern to Canada arising from that announcement. It has been asked in this debate and outside this house whether the threat from the Soviet Union and China justifies this new defensive measure. Some speakers have apparently come to the conclusion already that it is not a justifiable measure. The Prime Minister has said very wisely that until he has had an opportunity to discuss this matter with the President of the United States he prefers to reserve judgment.

Many people are understandably concerned as to whether the decision to proceed with an A.B.M. deployment may not itself have an escalatory effect, and so lead to a disturbance of the balance of stability between the great powers without adding to world security. And this is the problem that is of concern to all of us. The Prime Minister indicated in this debate that this is the kind of question he will discuss with the president. Let me remind hon. members what the President said on this question. I think it is important that we should hear the president's explanation, even if we need to be convinced that his explanation is convincing.

• (10:20 p.m.)

The President said:

> —the modified system has been designed so that its defensive intent is unmistable . . . The U.S.S.R. has engaged in a build-up of its strategic forces larger than was envisaged in 1967 when the decision to deploy "Sentinel" was made.

He illustrated with the following points:

> (1) The Soviet have already deployed an A.B.M. system—
>
> (2) U.S.S.R. is continuing deployment of very large missiles with warheads capable of destroying (U.S.A.) hardened Minuteman forces.
>
> (3) U.S.S.R. has also been substantially increasing the size of its submarine launched ballistic missile force.
>
> (4) Soviets appear to be developing a semi-orbital nuclear weapon system.
>
> In addition to these developments, the Chinese threat against our population, as well as danger of an accidental attack, cannot be ignored.

The President explained that the United States could have increased the number of its missiles and bombers. This, he said, would have been misinterpreted by the Soviets as an attempt to threaten their deterrent, and it would, therefore, stimulate an arms race. He chose instead the A.B.M. option.

What seems to me to be most important is what effect this proposed A.B.M. deployment

will have upon east-west relations. One of the most important and encouraging developments in the past several years has been the willingness of the United States and Soviet Union to begin talks on the issues which divide them, particularly on the problems of arms control and on major political differences such as exist in Southeast Asia and the Middle East. Only a few months ago we were all much more optimistic than we are today, before the Soviet and Warsaw Pact invasions of Czechoslovakia, but we are beginning to see hope for the resumption of these talks.

No country has been more active than Canada in pressing the cause of disarmament. I would like to join with others in paying tribute to George Ignatieff, our ambassador in Geneva, who is now heading our talks. I would also pay tribute to General Burns, who retired last week.

We played an important part in the long negotiations leading to the nuclear non-proliferation treaty and were among the first countries to ratify it.

It is encouraging that both the United States and the Soviet Union, in their opening statements to the disarmament committee, have shown evidence of serious intention to seek further measures of arms limitation and control. It is obviously in our interests and those of all mankind that Canada should seek in every way to help bring these intensions to fruition. This we will certainly do.

The question that people are naturally asking at this time is whether the prospects for these talks will be jeopardized by the United States decision on A.B.M.'s. On this score, I am not prepared to draw hasty or pessimistic conclusions.

What seems undeniable, however, is that the United States government is serious in its desire to enter into these discussions with the Soviet Union. Just the other day, Mr. Nixon said that it would be the policy of his administration to make the transition from confrontation to negotiation. The President's decision on A.B.M.'s must be seen in the light of his earlier declared intention to seek negotation with the Soviet Union. Moreover, the President, in the course of his official announcement, made the following statement on the question whether the beginning of construction of an A.B.M. system would complicate an agreement on strategic arms with the Soviet Union. This is what President Nixon said:

> I do not believe that evidence of the recent past bears out this contention. Soviet interest in strategic talks was not deterred by the decision of the previous administration to deploy the Sentinel A.B.M. system—in fact, it was formally announced shortly afterwards. I believe that the modifications we have made in the previous program will give the U.S.S.R. even less reason to view our defence effort as an obstacle to talks. Moreover, I wish to emphasize—

I think it is important that hon. members bear this in mind.

> —that in any arms limitation talks with the U.S.S.R. the United States will be fully prepared to discuss limitations on defensive as well as offensive weapons systems.

I interpret this to mean the A.B.M. system itself.

As evidence that we may not be faced with an escalation, the Soviet representative at the opening session of the 18 nation disarmament conference at Geneva yesterday made no reference whatever to the President's decision on the A.B.M., but did indicate the Soviet Union's continuing interest on talks of limitation of strategic weapons. I think we can draw some encouragement that this particular announcement by President Nixon may not have the effects some of us fear.

I now turn to some of the considerations for Canada. As the Prime Minister (Mr. Trudeau) has pointed out, Canada cannot divorce its interests from those of the remainder of mankind in this matter. We are not only talking about the defence of Canada and the defence of our cities, but the effect of fallout from an explosion of a missile which by that time would be fired at us. What we are talking about is whether we can maintain peace in the world. Very often when I listen to debate on defence and foreign policies, it appears as though we were fighting 19th century wars. The whole purpose of any defensive system nowadays is that it shall never be used.

If the A.B.M. will contribute to the stability of the nuclear balance, if it will at the same time not prejudice the talks between the United States and the Soviet Union on the limitation of strategic weapons, the benefits are evenly shared. There are, of course, some preoccupations peculiar to Canada. It has been suggested that Canadian permission might be required because some of these missiles might be exploded above Canada.

As I said earlier today, there has been no specific request to Canada from the United States government asking for permission to use our air space. If they do proceed with their A.B.M. system, I have no doubt but that

they will seek our permission, if permission is required. Depending on the nature of the system, our permission may or may not be required. It depends where the system is to be located and how high up the missiles are to be encountered in space. We do not know whether our space is involved. Let me remind the house, as the Prime Minister did, that whatever the legal or scientific position might be, it should not be forgotten that, if it ever became necessary to employ A.B.M.'s over Canadian territory, we would at that moment already be in as great or even greater jeopardy from the missile or missiles which the A.B.M.'s were directed to destroy.

• (10:30 p.m.)

In other words, Mr. Speaker, if this system is ever called to bat the game is over and mankind has lost. The question has been asked whether Canada would have any influence on the employment of these weapons. At this point I asked the Leader of the New Democratic party if he thought we should seek to have influence. I went on to ask him if he wanted us to be allies of the United States.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We are.

Mr. Sharp: As I understood his reply, he supported the proposition that we should be allies and friends of the United States.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We are, whether we want to be.

Mr. Sharp: Then, he said we are allies in NORAD and NATO. These are the words he used.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is right.

Mr. Sharp: I understand from this conversation that the leader of the New Democratic party has in fact returned to the position that he once took on these matters, and from which he seems to have departed in recent months and years, because otherwise how could we have the influence he wants us to have unless we were allies and friends in NATO and NORAD?

Mr. Douglas (Nanaimo-Cowichan-The Islands): On a point of order, Mr. Speaker, the minister cannot put words in my mouth. If the minister is going to quote me, I suggest he quote from the blues and not from his memory which may not always be too retentive. When the minister asked me, what I said was that we are allies and friends under both NATO and NORAD. The minister asked me if I supported that. As long as it is an agreement Canada signed of course I have to support it as a member of this house, but I am perfectly prepared to debate with the minister at any time whether or not we should continue to be in those agreements. However, as long as Canada is a signatory to those agreements, then as a citizen of this country of course I must support them.

Mr. Sharp: I am very glad that at least on the one point, the leader of the New Democratic party recognizes that it is within these alliances that we can have this influence. If he wants us to have this influence, all I say is that he should return to the position he took some years ago.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What is the minister's position with reference to NATO and NORAD? He is in the government. Is the government going to stay in them?

Mr. Deputy Speaker: Order, please.

Mr. Sharp: I have not questioned our membership in NATO and NORAD.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Prime Minister has.

Mr. Sharp: No, the Prime Minister has asked questions about whether we should continue in NATO and NORAD.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is what I am questioning.

Mr. Sharp: No, the hon. gentleman, on his part, has taken the view that we should not be in NATO or NORAD.

Mr. Deputy Speaker: Order, please. I would request that these remarks be directed through the Chair.

Mr. Knowles (Winnipeg North Centre): What does the minister think about NATO?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, through you, I want to ask the minister if he is in favour—

Mr. Deputy Speaker: Order, please. Is the member asking the minister a question?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, I am rising to ask the minister a question. I ask him if in his opinion the

government should renew the NATO agreement when the question of renewal comes up this year. Since he is asking the opposition where they stand, I would like to know where the government stands.

Mr. Sharp: Mr. Speaker, we shall make our announcement in due course.

Some hon. Members: Oh, oh.

Mr. Sharp: Mr. Speaker, I was going on to point out that the leader of the New Democratic party seems to be contradicting the position he has taken on so many occasions. Indeed, if I may I would like to recall some words he used not so many years ago when he said this on April 3, 1939, before the outbreak of the Second World War. Let me read what he said on that occasion, and which still applies equally well today. This was on the verge of a world war that he wanted to avoid. I quote:

> The second principle in collective peace action is the willingness of the nations who desire peace to act collectively, not to maintain the status quo but to act collectively to make any resort to force an unprofitable venture—such collective action will involve sacrifice. I admit that, but I do submit that the sacrifices will be infinitesimal compared to the sacrifices that would follow from another world war—

Those are words I agree with, and I hope the hon. gentleman will support collective action as much today as he did in those days.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a question? Is it not true I was speaking there about the League of Nations, and I would speak the same way now of the United Nations?

Mr. Sharp: You were talking about collective action to make any resort to force an unprofitable venture, and that means the kind of defensive alliances we are in today which do make a resort to force an unprofitable venture.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Don't try to convince us; convince the Prime Minister.

Mr. Sharp: For the past two years there have, in fact, been continuing discussions, largely between officials of our two governments, on United States plans for the Sentinel System, the predecessor of the new system, as described by the Minister of National Defence (Mr. Cadieux).

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During these discussions we had the opportunity to express our concern about the implication for Canada of those plans. In particular, we drew attention to the vital importance in any deployment arrangements of ensuring that A.B.M.'s were sited and aimed in such a way as to minimize damaging effects in Canada. We shall now, of course, do this in the new circumstances arising out of the announcement made by the President the other day about the abandonment of the Sentinel system in favour of the new system. Safeguard is a new system based on a revised concept. The Sentinel System was different. We had ample information on that system. We now need to know whether all that information is still relevant to the new system, and we think it probably is with respect to fall out and damage from burst. But this is what the Prime Minister will be discussing with the President next week.

In conclusion, Mr. Speaker, I hope it will be agreed by all members of the house, regardless of their political persuasions, that as we listened to the Prime Minister tonight, speaking quietly and eloquently about his concern for mankind, we felt re-assured that he will be talking for Canada with the President of the United States on these matters that affect so much the destiny of all of us.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, after listening to the words of the Secretary of State for External Affairs (Mr. Sharp) tonight I am sure that many hon. members must have been reminded of the debates that took place in the British House of Commons during the 1930's. It was said by many at that time that there could not be another war, that there would be no defence against the bombers of that day. There were many arguments against rearmament and the taking of stronger defensive measures. The result was that Britain did not keep abreast of the times in her defence commitments.

Later, at the Nuremberg trials, the testimony of the German generals revealed that it was this fact that prompted Hitler to start his offensive against the world. It was because Britain in particular was so weak defensively that he waged war. In other words, it was anticipated by Hitler that there was no power strong enough to deal with an all-out offensive by Germany. This deterrent factor is the same issue that we are talking about tonight, a deterrent factor in the name of peace.

I would also like to say to hon. members, particularly members of the New Democratic party, that some of us have to be realistic. We cannot all be dreamers. I would also suggest to the Secretary of State for External Affairs that rather than direct the questions he did tonight to the Leader of the N.D.P. it would benefit Canada much more if he directed his questions to his own Prime Minister (Mr. Trudeau). They say there is no difference. There is one difference; I think it is mathematically impossible for the leader of the N.D.P. to ever sit in that seat, having in mind the time he has left in this house. The present Prime Minister is supposed to speak for Canada. To my knowledge he has not given the Canadian people the benefit of the decision his cabinet has made in respect of this issue, and in fact in respect of the whole issue of continental defence, in which I think we must all admit we are involved.

● (10:40 p.m.)

I had not planned to take part in this discussion because I do not believe there is any more substance to it than the other favourite topics raised periodically by our socialist friends to my left. But as a result of listening to the tenor of some of the remarks which have been made I feel compelled to rise and place before you a point of view which I believe is shared by a great many Canadians.

I believe we all admit that no one wants another war. Certainly, those who have taken part in a past war would be the last to want to participate in another. No one wants Canada to be a battleground. No one wants bombs or missiles which possibly would be intended for other countries to come down on our own country. We do not want anything of that type to burst over Canadian soil. There is, however, a vast difference between what we want and what could actually happen. The plain fact of the matter is we cannot be our own masters because of our geographical and political position.

Defensive theories have changed since the advent of nuclear arms. These theories have not actually been tested yet. We are, or should be, partners whether we like it or not. Our past commitments have made us partners in a continental defence. The question the Canadian people are asking today is whether we are going to live up to these commitments. I believe that if we are not going to do this then it is time our present Prime Minister told not only the people of Canada but our previous partners about these continental commitments. This house can pass all the pious resolutions it wishes and the government of Canada can make all the self-righteous protests it wants, but the fact remains that the world's dominant nations will not be listening. We are powerless to change the course of whatever events may lie in store for us.

It actually means little to the major powers of the world whether the Canadian Prime Minister makes up his mind tonight, next week or a month from now. I believe it is about time this country stopped pussy-footing. It is about time we stood up and were counted. Either we want freedom enough to fight for it or we do not. Right now, I would wager that no one in the world knows exactly what Canada wants or what we, as a nation, are willing to do. Certainly, I as a member of the official opposition in this house, do not know what the present policy is of this government.

Mr. Stanfield: How could you know; there isn't one.

Mr. McIntosh: In fact tonight, after listening to the speech of the Prime Minister, after listening to the speech of the Minister of National Defence (Mr. Cadieux) and after listening to the speech of the Secretary of State for External Affairs (Mr. Sharp) it would seem to me that there has been no co-operation and no co-ordination in respect of what they all believe.

Surely, after the questions which have been asked in this house for the last several days with regard to what the United States authorities have told the Canadian government, this must have been known to the Prime Minister. The Minister of National Defence said he has had this information for weeks. He read it out to the house. He even knew the specifics about the Spartan and the Sprint. He mentioned 400 miles. I am informed that the minimum range of the Spartan is 75 miles. If it is 400 miles then we in Canada should be concerned, particularly western Canadians.

There was never before in our history this uncertainty. In two world wars Canadians fought for those things they wanted and believed to be right. Other nations were in no doubt concerning where Canada stood. I grant that today the face of warfare has changed to such an extent that it may no longer be practical for a small nation such as ours to contribute directly to the expensive and sophisticated techniques of nuclear missile

intercontinental warfare. We may be an inconsequential item in democracy's armoury this time, but at least we can do those things which are within our power to do in an effort to assist those who lead the cause in which we believe or are supposed to believe.

We can contribute and we can fight to that extent. There can be no doubt that the United States of America is the champion of those things which we, as a nation, wish to preserve, individual liberty, political freedom, the rule of law and democratic government. Much legitimate criticism can be levelled at our neighbour, but surely no Canadian in his right mind can equate the United States and the Communist colossus equally in terms of Canada's interests. We may have neither the men nor the missiles to give direct assistance in battle, but there are many things we can do to help ensure that our friends and allies have the best chance possible in a showdown. One of the most important of these I suggest is to help and not hinder the United States in those measures which that country sincerely believes are essential to her and our defence.

If it were up to me, I would be in Washington today pressing the United States government to instal more of these anti-ballistic missile sites much farther north, in our northern and Arctic territory. If there must be nuclear explosions of the type suggested by some people perhaps it would be better if these explosions took place over our Arctic or even farther away over Soviet Siberia. I think that would please us in western Canada much more.

There is an unpleasant, mean-spirited theory current today in this country that we can have our cake and eat it too; that is, that we can enjoy all the benefits of having a guardian without doing anything to help him. Some promoters of this theory go even further. They would even hold his arm when it is raised to ward off a blow. This criticism of the United States defence plans is part and parcel of a new and most unsavoury national stance that Canada has adopted ever since 1963 when the present government came to power. This stance has resulted in Canada's reputation abroad hitting rock bottom.

I suggest that the recent public questioning of our relations with NATO have spread dismay and disgust among Europeans and Americans alike. We have given the appearance of wanting all the benefits of a defensive alliance without being willing to pay part of the bill. We only offend by our preaching, our "holier than thou" attitude and criticism. In this instance, we have not even been asked to pay anything. It seems to me that Canada will have to make up its mind whether it is pro-Communist or pro-democratic. I think we should do that soon. India and several other countries have shown the futility of trying to form a third group. We have only one choice, which is to be for or against our own history. If we are for the free world, if we stand with the western democratic nations still, then in God's name let us say so clearly, loudly and in unmistakable terms.

Our present posture of questioning and doubt can do only a disservice to our friends and a greater disservice to Canada. If we do stand with the west, then let us make up our minds to shoulder the burden and the responsibility that that stance entails. We may not like the role circumstances force upon us. We may question methods and quibble about details; but if we stand for what we say we stand for we have no choice but to go along with those who call the shots for our side by virtue of their vastly greater financial, military and political abilities and sacrifices.

• (10:50 p.m.)

If we stand with the west, then we stand with the United States. If we stand with the United States we do our part, even if this part is small and negative, amounting to nothing more than desisting from destructive criticism and petty nagging. It might be well for those who today are carping at the United States for adopting this anti-missile defence system to remember that it was the Soviet Union which set the example in this regard. It was the Soviet Union which erected a similar system around its capital and broadly hinted that additions would soon make their territory invulnerable.

I would simply ask that the critics of the action of the United States consider one question. Where would Canada be and where would those hon. members be if the Soviet Union alone was invulnerable to attack by I.C.B.M.s, and thus able to dictate terms to the free world? It may be that there are some Canadians who wish this were so, and who look for the day of a Communist triumph. They might welcome worldwide domination by the Kremlin. That would at least give some logical basis to some of the arguments and criticism we have heard in respect of United States action.

Those Canadians who sincerely wish to see national freedom and individual liberty preserved have no other choice but to stand or

fall with the United States. When your life is being protected it seems not only extremely petty but actually idiotic to quibble about the manner in which your saviour is doing it.

Not very long ago we heard the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) move a motion to adjourn the regular business of the house to consider a matter requiring urgent public consideration. In part he said:

—given this fact plus the broader world danger implication, that the construction of this A.B.M. system may further escalate the nuclear arms race—

This statement made me wonder why he or some other member in his party did not move a similar motion in the early 1960's when the U.S.S.R. announced the construction of its defensive missile system. I think the hon. member was here at that time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since I have been asked a question—

Mr. McIntosh: I will let you answer later on, since I have two or three questions to ask.

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Swift Current-Maple Creek has the floor.

Mr. McIntosh: I should like to answer that question now, Mr. Speaker, but I have several other questions I should like to ask first.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I rise on a point of order, Mr. Speaker. The hon. member should either not ask questions or, if he does, he should let an hon. member answer. He asked me why I did not refer to this matter in 1960. My answer is that I was not in the house in 1960.

The Acting Speaker (Mr. Béchard): Order, please. If there is time later, the hon. member will have an opportunity to answer.

Mr. McIntosh: I fail to understand the point of order. I think the hon. member completely ignored the fact that he will have an opportunity later on to answer this question plus the others I wish to ask. In any event, there was no cry from the hon. member at that time about the further escalation of the nuclear arms race, and there was no cry from any other member of his party. There was no protest from that party about the escalation of nuclear power by Russia and other socialist countries when it was announced that the U.S.S.R. had 67 of these Galosh sites deployed near and around Moscow. I did not hear any member of the N.D.P. protest this action at that time.

An hon. Member: They are from Russia, that's why.

Mr. McIntosh: I understand that the system in Russia is called the "Galosh system". Perhaps hon. members on the other side do not have their facts straight. Let me refer to another statement the hon. member made in support of this motion.

It is quite clear that the United States in deciding to construct this new A.B.M. system did not seek or obtain the Canadian government's permission for such thermonuclear missile flights over Canada, which means that interception would take over Canadian territory causing extensive nuclear fallout.

Such a statement means that the hon. member is aware of at least two facts about this matter. First, he is aware that the American Spartan and Sprint missiles are purely defensive weapons. Secondly, he knows that there would have to be something to intercept before they would ever be fired. I should like a member of the N.D.P. to tell this house what these missiles are going to intercept. Perhaps they are going to intercept friendly missiles directed to the N.D.P. I should also like to ask the hon. member, when he insists we demand the United States get Canada's permission to establish their defensive system, whether it is not logical that we demand also that the U.S.S.R. and China get our permission to fire offensive missiles across our territory before they launch a nuclear attack against the United States.

Let me suggest that we should be realistic. As I said at the start and as everyone knows, such an undertaking would never be entertained. This is something that the N.D.P. fails to realize. History reveals that neutrality is respected by an aggressor nation only as long as it suits the aggressor's purposes.

Having regard to the first fact emphasized by the hon. member's motion that the Spartan and the Sprint—

The Acting Speaker (Mr. Béchard): I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the house agree that the hon. member should continue?

Some hon. Members: Agreed.

Mr. McIntosh: I will not be very long, Mr. Speaker, and I should like to thank my colleagues in the house for this courtesy.

The United States is only protecting itself against a form of blackmail from any other country which feels it has a definite system that could not be penetrated by a retaliatory force, or against any nation that might feel by striking the first blow a victory might be secured. The United States is only protecting itself against blackmail. The president himself has said this is the case. The main purpose of the United States Safeguard system is to preserve the credibility of the United States and its capability, which is actually a deterrent. This is what we want.

The Minister of National Defence and the Secretary of State for External Affairs made reference to the conference held by the President of the United States last Friday. Some of the points to which I should like to refer have been mentioned by other hon. members. I think it is of benefit to Canada and the Canadian people that the president of the United States made a statement in respect of protection to Canada. Let me read from the statement he made to show what I mean. The president indicated that there is no way we can adequately defend our cities without an unacceptable loss of lives. He also stated:

> The program I am recommending is based on a careful assessment of the developing Soviet and Chinese threats.

He then went on to state:

> Each phase of the deployment will be reviewed to insure that we are doing as much as necessary but no more than that required by the threat existing at that time.

The statement then goes on as follows:

• (11:00 p.m.)

> Since our deployment is to be closely related to the threat, it is subject to modification as the threat changes, either through negotiations or through unilateral actions by the Soviet Union or communist China.
>
> The program is not provocative. The Soviet retaliatory capability is not affected by our decision. The capability for surprise attack against our strategic forces is reduced. In other words, our program provides an incentive for a responsible Soviet weapons policy and for the avoidance of spiralling U.S. and Soviet strategic arms budgets—
>
> Moreover, I wish to emphasize that in any arms limitation talks with the Soviet Union, the United States will be fully prepared to discuss limitations on defensive as well as offensive weapons systems—
>
> This is why I am recommending a minimum program essential for our security—

Firing of A.B.M. Warheads over Canada

> I am announcing a decision which I believe is vital for the security and defence of the United States, and also in the interest of peace throughout the world—
>
> It is a safeguard against any attack by the Chinese communists that we can foresee over the next ten years.
>
> It is a safeguard of our deterrent system, which is increasingly vulnerable due to the advances that have been made by the Soviet Union since the year 1967 when the Sentinel program was first laid out.
>
> It is a safeguard also against any irrational or accidental attack that might occur of less than massive magnitude which might be launched from the Soviet Union—
>
> The only way that I have concluded that we can save lives, which is the primary purpose of our defence system, is to prevent war, and that is why the emphasis of this system is on protecting our deterrent, which is the best preventive for war.

In conclusion, Mr. Speaker, let me say that I believe this debate has been unnecessary and, in fact, insulting.

An hon. Member: Then why have you taken part in it?

Mr. McIntosh: Let us not be so ungracious and unmannerly as to criticize the man we hire to protect us. That is the situation today. For various reasons, some good and some bad, Canada cannot hope to adequately defend herself; we must rely on another or others. As this is the case, let us help and not hinder them. It is my hope that the Prime Minister, while in Washington this week end, will assure President Nixon that Canada has made up her mind and agrees to the necessity of the A.B.M. system; that we will do whatever is reasonable to make it as effective as possible.

Mr. Ross Whicher (Bruce): Mr. Speaker, I am sure all members of the house will be very pleased when I say that I intend to be very brief indeed. The first thing I want to say is that, while I cannot agree completely with the last speaker, in my opinion he hit the nail reasonably well on the head. I congratulate him for bringing this problem to the attention of the house in a way that I consider was most capable.

Some hon. Members: Hear, hear.

Mr. Whicher: I do not want to walk many miles around the question; I want to go in a direct line. I say that if I have the opportunity to be pro-Chinese, pro-Russian or pro-American, I will be pro-American every time.

Some hon. Members: Hear, hear.

Firing of A.B.M. Warheads over Canada

Mr. Whicher: I say, further, that when we in this country have the opportunity to have people defend us, our way of life, our democracy, our children and ourselves, without costing us a single nickel, we should accept it with no questions asked whatsoever.

This is, of course, a very serious problem. We have in years gone by had the opportunity, if one might call it that, of waging war. Certainly, during the last two world wars we did a very creditable job and, as Canadians, we should be very proud of ourselves. But now the time has come when, because of the great advancement in weapons, we simply must appreciate the fact that not only can we not wage war offensivly but we cannot wage war defensively. We must have the help of our neighbours.

The only major powers in the world today which have the capability of waging the kind of war that we are speaking about tonight are our neighbours to the south, the Soviet Union and communist China. I ask my hon. friends to my left this question: If they had to choose between the Russians and Americans, would they prefer the Russians, or the Americans? I think any member of this house who has any degree of common sense whatsoever would agree that, in spite of the fact that the Americans are not always 100 per cent right, they are much more credible neighbours than any other country in the world could possibly be.

Some hon. Members: Hear, hear.

Mr. Whicher: Several ministers and members of the opposition have raised the point that the anti-ballistic missiles which are to be placed on American territory in the next several years are defensive weapons. I ask this question: Is there anywhere in the world, under our way of life, that man does not have the right to defend himself? If somebody goes into your house with a gun and tries to hold you up, do you not have the right to defend yourself by firing back?

This is the question facing our American friends. They are not going to fire the first weapon as far as these anti-ballistic missiles are concerned. They are strictly a defensive weapon. The missiles that may be going over our heads will be either Russian or Chinese. The ones our American friends will put up will be in defence of not only the United States but the whole continent of North America, which includes Canada. I think we should appreciate the situation and should not be wishy-washy about it.

[Mr. Whicher.]

As my friend, the hon. member for Swift Current-Maple Creek (Mr. McIntosh) said, we can make our choice in life; we can be either pro-democratic, pro-American, or pro-communist. There is no use trying to walk the line which divides these ideologies. We cannot stay on the fence in this regard. We cannot tread on broken glass in this respect. The Czechoslovakians tried that; the Finnish people tried it; the Polish people tried it and the Germans tried it. Is there anybody in this house who would suggest that Berlin would not be in Soviet hands today were it not for the power of the United States? Is there anybody who would suggest that the whole of Europe would not be in Soviet hands were it not for our friends to the south? Thank heaven we have them. Thank heaven these people are willing to put up not only the money but the weapons in order to defend our way of life.

We have an obligation not only to the people of this country, not only to our children, but to those who died in the last two world wars, those who fought for our way of life. I appreciate my hon. friend saying that he is of the younger generation, and of course he is. He suggested that his generation had grown up since the last war. But there are many people in this chamber, and in Canada, who remember the great sacrifice that was made by Canadian troops on land, sea and air to defend our way of life. The Americans are not asking that we do this. They are willing to do it for us. They are willing to not only extract the necessary money from their taxpayers' pockets but to supply the weapons and the men to defend our way of life.

• (11:10 p.m.)

In conclusion, let us remember that this is of course our country, and we must have the say as to what happens in it. We must remember also that this is our continent, that besides being Canadians we are North Americans. If we can justly say that we are North Americans, then we must also remember that our friends to the south are also North Americans and they are not just interested in the defence of the United States. As a matter of fact, they are not just interested in the defence of North America. They have made many mistakes, but this is not one of them by any means. I think they have justly tried with their power, their might and their goodness to defend the democratic way of life all over this world.

I cannot help but think that when a motion such as was given to us this afternoon is made, there is a certain amount of anti-Americanism expressed. I do not blame my friends to the left, although I do not agree with their policies, when they say that the Americans control our industries. I am not critical of that. Nor do I blame them when they say that the Americans control our oil interests. Personally, I could not care less so long as they employ Canadian workmen, pay Canadian taxes and obey Canadian laws. But when they suggest that the Americans are wrong in trying to defend themselves; that they are wrong in employing defensive not offensive weapons, then I say, with all due respect to my friends to the left, that this is anti-Americanism which is not popular in Canada. I hope it is not popular anywhere in the whole world.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I take part in this debate with some trepidation because I cannot for one moment pretend to be an expert in the military technology of missile and nuclear warfare. I take part only as Joe Citizen who represents many other Mr. and Mrs. Joe Citizens in my constituency, who are voiceless and defenceless in matters such as the location of an A.B.M. system and who are, I submit, under-represented. They do not have enough access to information to intelligently decide what decisions they feel should be made. I suggest that this applies to many Mr. and Mrs. Joe Citizens in Canada as well as in my own riding. So, I hope that however inadequate my remarks may be I can to some degree express the feelings of ordinary Joe Citizens.

I do not know who it was who said that wars were too important to be left in the hands of generals. Personally, I have often felt appalled at the kind of statements made by generals on both sides of the Iron Curtain. They have contributed more to the continuation of hatred and mistrust among nations on both sides of the Iron Curtain than any other group of citizens in those respective societies.

I listened to the Prime Minister (Mr. Trudeau) express pleasure at the fact that this debate was allowed by you, Mr. Speaker, today. I was, therefore, a little disappointed at the comments made by a member of his party and by a member of the official opposition that this debate was a waste of time, or words to that effect. We all listened with attention to the remarks of the Prime Minister and, if I understood him correctly, he let us know that he and his government, as I inferred from his words, have not yet made up their minds on this matter. He does not wish to take a stand at this time until he is able to get more facts and more information. He will then have a free hand.

If this is the position of the Prime Minister, then I find it passing strange that the Minister of National Defence (Mr. Cadieux) should spend a great deal of time quoting the President of the United States and quoting statistics defending the A.B.M. system. I have a strange feeling that either a "snow" job is being done on the members of this house by the government or that there are some deep divisions within the government on the pros and cons of an A.B.M. system. I feel there are those, including the Prime Minister, who have some sincere and deep reservations about it, and there are others, including the Minister of National Defence and the Secretary of State for External Affairs (Mr. Sharp), who do not have reservations about it but who support and applaud the installation of an A.B.M. system.

The Prime Minister said that we are all interested in protecting our people and our cities. I hope he was not trying to give an impression that an A.B.M. system is designed to protect our cities or, for that matter, any of the cities in the United States. I do not think he was, and if he was I hope that sometime soon he will clarify these remarks. As I understand it, the decision made by President Nixon places the A.B.M. system away from U.S. cities. The system is designed to protect their own I.C.B.M. sites and to protect their first and second strike capability. It is not designed to protect Canadian cities, and now it appears the decision has been made that it will not protect American cities. The A.B.M. system is designed to protect the U.S. offensive capability. I submit that it logically follows the A.B.M. system which is proposed is an offensive system. If so, this throws into a cocked hat the entire proposal made by President Nixon that the A.B.M. system will be for defensive purposes only.

A number of speakers tonight have said that they doubted whether the installation of this system would cause an escalation of the arms race. It seems to me there is overwhelming evidence that it will inevitably escalate the arms race no matter how small, minor or thin the system may be, it seems to me that we might assume that the Russian

system is bad and that the Russians are ignorant, but we cannot assume that they are stupid. For anyone to suggest that the building and perfection of a modern, up-to-date A.B.M. system in the U.S. will not be immediately followed by similar action on the part of the Russians is a grand delusion. As I understand it, in the late 50s and early 60s when the Americans were constructing their Sentinel system, which was designed to defend cities such as Washington, the Russians were constructing a similar system to protect Moscow. There is not the remotest resemblance between the now obsolete system which surrounds Moscow and Washington and what is now proposed by President Nixon. To hold these up as an example, I submit, is not in accordance with either the history or the facts of the present A.B.M. system. It is not, in fact, the same as the A.B.M. systems that were installed in the late 50s and early 60s around Moscow and Washington. As my leader mentioned today, the obsolete system that surrounds Moscow consists of 67 weapons, as compared to what is proposed by President Nixon which has 700 weapons. I suggest that it is perfectly logical and inevitable that the Russians will also endeavour to instal a thin A.B.M. system of 700 or more weapons. For anyone to suggest that this will not bring about a further escalation is nonsense.

• (11:20 p.m.)

There are certain rationalisations put forward by the President of the United States. It should be noted that he seems to have something less than majority opinion on his side on this issue. One of these rationalisations is that the A.B.M. system should be built to protect the United States from rockets the Chinese might fire. There appears to be an animalistic viewpoint held by military men in North America that the Chinese are not people, and that they do not, therefore, think and react like people. It is passing strange that we should need an A.B.M. system to protect North America against Chinese missiles while at the same time being prepared, as Professor Wiesner pointed out, not to build one if the Russians would agree to follow suit. Surely, this lack of logic is evidence of some kind of insanity. If the system is necessary to defend us against Chinese missiles, it would be most embarrassing if the Russians were to agree to negotiate on the basis that they would refrain from building one if we would also refrain from doing so. What would happen to the China argument in that event?

One has the impression that the military and government mind in the United States maintains this animalistic view that there are Chinese people huddling in caves putting together a rocket made out of nuts, bolts and tin cans with an atomic weapon at the head of it and that as soon as the work is done they will fire it off for two reasons: first, to see whether it works, and, second to hit the United States.

I suspect that when China does develop its intercontinental rocketry the rockets will be aimed in two directions. It is just possible that the U.S.S.R. and the United States might combine their A.B.M. system, and here Canada could play the part of an honest broker. We might arrange for them to meet at the DEW line.

For anyone to suggest there would not be escalation as the result of an A.B.M. system constructed by the United States or by the U.S.S.R. would be to mislead the people of this country. I submit that the reasons put forward by the President of the United States and echoed by the Minister of National Defence (Mr. Cadieux) and the Secretary of State for External Affairs (Mr. Sharp) in this house tonight are illogical, inadequate, irrelevant.

I call as witnesses a number of people who I do not think can be considered unknowledgeable with regard to matters such as this, namely, former Vice-President Hubert Humphrey, Senator Edward Kennedy, Senator Mike Mansfield, Senator McGovern, Professor Wiesner, scientific advisor to the late President Kennedy, and others. There is a list of names as long as your arm of prominent, knowledgeable men with access to the necessary information who have repeatedly stated that in their opinion construction of an A.B.M. system is a continuation of the race to suicide.

As the hon. member for Fundy-Royal (Mr. Fairweather) said earlier this evening, the President of the United States has not got this proposition through Congress as yet and it is a fairly even bet that he may not get it through Congress. It would be most embarrassing for the military minds in the United States, and it would be embarrassing for those in Canada who went along with this proposal, if the United States Congress rejected it, if the representatives of the American people voted against this expenditure of billions of dollars on a system which Professor Wiesner says will be obsolete by the time it is finished.

Mention has been made this evening of consultation. The Minister of National Defence questioned the stand taken by our party on the issue of consultation. If we were not a member of NORAD, he asked, how could we expect to engage in consultation with the United States. I submit we could quite properly consult with the United States and make representations as a friend and as a neighbour. We could quite properly be vociferous and firm in our representations if the interests of Canada were affected. It is not necessary to retain membership in NORAD, an obsolete arrangement, for us to take advantage of our friendship with our neighbour to consult on these issues. We need this consultation in order that Canada can make firm and full representations to the United States government in an effort to persuade that government to reconsider its decision to instal the threatened A.B.M. system.

It is not too late. Canada could have a voice which would be listened to with respect and understanding even if her opinions were not shared. The Minister of National Defence, the Secretary of State for External Affairs (Mr. Sharp) and the Prime Minister (Mr. Trudeau) could do not only Canada but the nations of the world a great favour. I believe they could even do Mr. Nixon a favour. It might well be that, privately, Mr. Nixon would welcome representations from friendly governments asking him to change his mind so that he could use these arguments against the arguments of the military and industrial complex which have mounted the most unholy pressure on the present and previous presidents of the United States to develop this system—anything to make a buck. And seven billion dollars spent on the A.B.M. system amount to a lot of bucks for a lot of generals and corporations who specialize in perfecting machines to kill. I submit that if Canada were a true friend and neighbour, in or out of NORAD, she ought to make this kind of representation to the President. I add my request that this course be followed, to those of the leader of my party, of other members of my party and, I dare say, of members of other parties in this house as well, because there is certainly no unanimity among the other parties on this issue. I was surprised at the remarks of the hon. member for Swift Current-Maple Creek (Mr. McIntosh) tonight supporting this missile system since he was a member of a Conservative government which opposed nuclear weapons on Canadian soil. That policy has not yet been officially repudiated, though perhaps it has been repudiated unofficially.

I ask, as a Joe Citizen speaking on behalf of a lot of other Joe Citizens, that the Prime Minister and his colleagues proceed to Washington next week and urge upon the President of the United States in the firmest as well as in the friendliest fashion, that the construction of this system is unnecessary; that it would lead to escalation and lead to increased difficulty in negotiating arms reduction. I would ask, too, that they meet with members of United States Congress who have differing opinions on this subject. It would be well for them to hear the views of Senator Kennedy, former Vice-President Humphrey, Senator McGovern and Senator Mansfield. I may say, for the benefit of the hon. member for Swift Current-Maple Creek and the hon. member who spoke after him, that these are men who cannot be accused of being "pinkos" or communists or sympathetic to the U.S.S.R. and so forth, the kind of nonsense we have heard so many times in this chamber and outside. We have a real opportunity to make a contribution towards understanding in the world, peace and the reduction of weapons. It is a delusion to think that an anti-ballistic missile system will contribute to the defence of North America. It is not designed to defend North America. It is designed to defend the United States offensive missile capacity, and nothing else.

• (11:30 p.m.)

Mr. Alastair Gillespie (Etobicoke): Mr. Speaker, the hour is late. We have heard many words this evening, some of them thoughtful, some of them quiet, some naive and others angry. Throughout, I think we could detect a yearning for peace, quiet and serenity in the world, reflecting man's frustration in dealing with cosmic forces over which he has no control.

In moving the adjournment motion the leader of the N.D.P. did this house a great service. After listening to his words I thought to myself that that was the only contribution he made. His were brave words—some of them were at any rate. He said we must not be subordinated. Listening to him, I wondered if he understood the idea of deterrence. When I heard the last speaker say that the A.B.M. system is designed to protect United States offensive capacity I wondered if he, too, understood the principle of deterrence. The leader of the N.D.P. reminded us of the nuclear holocaust, the arms race and of our

need to participate in controlling it. These were useful reminders. He also spoke as if he were a member of a movement that practised the politics of non-involvement. His sort of argument really, was, "We will determine the ends you must seek but we will not tell you how you ought to arrive at those ends. We will criticize; we will warn you of the dangers, but do not look to us for any suggestions, because we have none." That, it seemed to me, was his position and the position of his party. It was a position of non-responsibility. They alone can indulge in the luxury of offering gratuitous advice.

This evening the Prime Minister (Mr. Trudeau) spoke about the protection of Canadians and of all mankind. He spoke of the fate of humanity, emphasizing reason, not fear; reality and not the Alice in Wonderland world of international affairs that some hon. members preferred this evening. He referred to stability and perspective, to interdependence as opposed to dependence. He spoke of the need for stability of the deterrent system and that if any missile went off, the whole system would have failed. He spoke of the need, in his conversation with the United States President, to discuss the question of preventing escalation of nuclear capability and warned of accidents arising from miscalculation.

A real problem may arise through miscalculation. The A.B.M. system probably may be so automated that human decision will not enter into the question of whether a defensive missile is to be fired or not fired. I hope this point is discussed and clarified. It seems to me that it is possible for an anti-ballistic missile to be fired, without human decision, at a piece of space hardware returning to earth. If that happened it might stimulate concern or even panic in certain quarters, causing an inadvertent escalation of nuclear exchanges. That is what I think the Prime Minister meant when he talked of the dangers of miscalculation.

I do not propose to deal with all matters raised by the Conservative Party here. The Leader of the Opposition (Mr. Stanfield) spoke about the question of consultation, regretting the lack of consultation although recognizing that the United States President had every right to make his decision without prior consultation.

The Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence (Mr. Cadieux) spoke of the notion of sovereignty of air space. We must ask ourselves, how far up does sovereignty extend? Does it extend up to 75 miles above the earth, or up to 35 miles? I hope the Prime Minister will discuss this with the President and perhaps take the initiative in suggesting new approaches to the control and use of outer space.

In this debate we have been reminded that the world order is not one we would choose if we had any choice in the matter. It is dominated by the super powers. We are part of that world order, and its fate will be our fate. We have been reminded of the frightening prospect arising from nuclear miscalculation. There are no instant solutions to the difficulties of our world order. We must remember to take a long perspective when looking at international settlements; that the settlement may take generations to come and that we mus be prepared to pay a price for it. It is easy to say that our NORAD and NATO alliances have outgrown their usefulness and are no longer relevant in today's world. These alliances have maintained the peace of the world for the last 20 years, a peace that could only be maintained by a stability based on recognition of deterrence as we work towards detente.

In closing, I urge the house to recognize the dangers of miscalculation. I hope our Prime Minister will discuss this aspect with the President. I also hope he will discuss with him the whole question of whether A.B.M. systems are likely in any way to restrict the opportunity that may arise for a planned reduction in nuclear armaments. I hope also that he will raise the question of civilian control of these systems and civilian control of the Pentagon. In my view this is a legitimate question for our Prime Minister to raise with the President of the United States. After all, we are members of NATO and NORAD. If we were not, I do not think we would have the same right. Certainly, our voice would not carry the same emphasis. I hope he will discuss the question of stability with the President of the United States vis-à-vis China because there are shifts in the international power balance. Above all, Mr. Speaker, I hope that he says that Canada regards the United States as a friend and recognizes that the security of Canada depends on the security of the United States.

• (11:40 p.m.)

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I rise to take part in this debate because I think I have some small contribution to make. I listened with patience to the Prime Minister's (Mr. Trudeau) calm and

rational language when making his remarks this evening, although I firmly believe if he made any points they were somewhat vague. On the other hand, the Secretary of State of External Affairs (Mr. Sharp) delivered to this house this evening a sincere and blunt address. After having listened to his predecessor for many years, Mr. Speaker, it was rather refreshing to hear a clear expression of concern in respect of the issue being discussed.

On March 17, Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) asked a question of the Prime Minister in the following terms:

> I should like to ask the right hon. gentleman whether his government has studied the decision by the President of the United States to build an anti-missile defence system and if the government of Canada has considered the possible implications for Canada of the President's decision?

The Prime Minister replied that the matter was under consideration and he was not able to make any firm decision on this point. The Leader of the Opposition then asked a supplementary question:

> —is the Prime Minister free to tell the house whether the government of the United States consulted the government of Canada on this matter and whether Canada made any representations to the United States in this regard?

The Leader of the Opposition was concerned whether actual deliberation or discussion in respect of this matter had in fact taken place. We were told this afternoon by a member of the cabinet that discussions had not taken place. The Minister of National Defence (Mr. Cadieux) stated earlier this evening that this matter had been under discussion for approximately 10 years. No one has suggested that the A.B.M. systems were weapons of aggression. They are merely weapons of defence. I hope that the Prime Minister will take a positive position on Monday and Tuesday of next week. I wish him well in his deliberations in Washington.

I listened with a great interest, Mr. Speaker, when members of the N.D.P. spoke earlier this evening. I feel there is a great misunderstanding in that party with regard to the issue under discussion. I am not sure they understood what their motion was about this afternoon. The real issue under discussion is whether we want defensive weapons, not offensive weapons. We are not suggesting that we are going to acquire offensive weapons of any nature. We are discussing whether we are going to allow the United States to use ground and air space for installation of A.B.M.'s for self-preservation.

I listened with interest to the young member for Yorkton-Melville (Mr. Nystrom). He described his generation as the generation born after the depression of 1935 and indeed after the last war. He described them as a bunch of gutless homo-sapiens, who could not or did not care to look after themselves. I do not believe that, Mr. Speaker, because I have four young sons who I am sure would defend this country.

Mr. Gilbert: On a point of privilege, Mr. Speaker. I am certain that the hon. member for Yorkton-Melville did not use those words. I am sure the hon. member misunderstood and will be glad to withdraw them.

Mr. Skoreyko: I do not see any point of privilege, Mr. Speaker. The inference was in his remarks. He could not agree with the decision of the government to take any steps to protect the nation. After all, who were the "reds" to be worried about? The hon. member for Yorkton-Melville seems to adopt the attitude seen in the Yorkville district of Toronto of simply disarming. If an enemy happens to strike, turn the other cheek. The hon. member says, withdraw. He says, "Let's get out of NATO and NORAD. Forget about our defences. If we are helpless militarily, nobody is going to bother us." What kind of reasoning is that? I understand the hon. member is in the teaching profession. If he recalls his history, he will know that militarily adequate countries are no longer in existence.

The leader of that party made the usual speech. He has jumped from policy to policy, riding to riding, and I hope some day he will jump from country to country. I agree with the principle of non-proliferation talks and with the initiative of disarmament talks. Who in this house would suggest that we disarm first and then try to negotiate world peace? It is like walking into a bear pit without a gun.

The Secretary of State for External Affairs (Mr. Sharp) stated this evening the A.B.M. installations might contribute to some degree to nuclear world balance. I agree with that principle. Shortly after the last election, the Prime Minister told the people of Canada on a national television broadcast that Canada's participation in NATO and NORAD would be reviewed. A committee of the house is now in Europe visiting the installations. I hope they will visit NORAD at the same time. It is reasonable to assume that upon its return this

committee will make appropriate recommendations to this house. I hope their recommendations include suggestions that Canada remain in NATO and NORAD. I hope there will be no suggestion of any significant reduction in those two bodies. Any reductions in NORAD or NATO should coincide with similar reductions and effectiveness within the Warsaw pact alliance. Contrary to the relief of some of our flower-power advocates, the North Atlantic Treaty and NATO should be maintained and we, as a sovereign nation, should live up to our responsibilities in that regard.

• (11:50 p.m.)

When you look at the record militarily of Canada to this point, it is disturbing to note that since December, 1967, our contribution to NATO has been reduced to one army brigade in Europe, two full brigades at home, and one transportable brigade on tap in Canada. The air division has been reduced to six squadrons, running out through possible attrition in the early 1970's. We, as a nation, can afford more and should do more than that. Now, I wish to say something about NORAD, Mr. Speaker.

NORAD is the first two-nation military command to operate on this continent. Its 170,000 personnel at some 400 posts in the United States and Canada have been operating well, and the fact that it has not been called into action is the best reason for its existence. NORAD has worked on the theory that if you are powerful enough no potential enemy would start a conflict. Cuba may have been a reasonable example of that.

On reflection it should be pointed out that the United States and Canada began building up their defences after the outbreak of the Korean war in 1950. The decision was quickly made that co-operation, and co-operation only, was not enough; that what was really needed was a joint defence effort with complete co-ordination to meet the bomber threat of that time—bombers with increasing speeds and greater capacities to deliver lethal weapons with more accuracy.

Since its inception the system has undergone continuing review with respect to modernization, expansion and effectiveness. Antiquated radar systems, which covered only prime industrial targets, have been replaced with the most modern sensor equipment covering the entire continent. The need for this modernization was recognized with the advancement which had taken place in the development of supersonic bombers, rocket ammunition and guided missiles.

The next requirement which was met was the need for information inflow which had to be accurate in respect of immediate identification. The volume of information required new and sophisticated computer systems which would analyse and advise NORAD. This was achieved by a system known as "SAGE". All members who have interested themselves in this aspect of our North American defence system know how well SAGE has functioned, even though information available to members of parliament is limited in scope and often very sketchy.

Today, the threat is not so much that of bomber attack, although I am sure the presence of bombers would be felt. The fact remains that initially the targets would be hit by I.C.B.M.'s and NORAD, I believe, has the facility to deal with these. Today, the threat looms greater in light of newer, more sophisticated intercontinental ballistic missiles.

There have been developments by some other great powers. China has now emerged as a new threat in the nuclear field, and what weaponry that nation may develop is as yet relatively unknown. The fact is that China becomes another valid reason why North American defences should be constantly upgraded, and I for one would gladly support the government in any action it would take to assist the United States in setting up such defences. I support the principle that security and freedom do not come cheaply and, within our ability to pay our contribution to North American defence, in co-operation with our greatest ally, should no longer be minimal.

I think that to some extent we in Canada are greedy people when we do not hesitate to lobby for our share of the defence dollar to be spent supporting our industries, but at the same time we offer only token support for our own defence, and indeed for our survival. This is grossly unfair.

I hold little or no brief for our so-called flower-power advocates who suggest that the United States should be denied air space over Canada. Such a view against North American defence is un-Canadian and indefensible. I am proud to be living next door to a great neighbour whom everyone knows has problems not dissimilar to ours with respect to poverty and urban blight. But the fact is that the United States has the courage to develop defensive techniques which are costly, indeed very costly. If my information is correct the new

A.B.M. system will cost in excess of $5 billion. To deny our neighbour the use of our ground and air space for our mutual preservation would not only be denying Canadians the security which they deserve and cannot afford, but would be turning our backs on the fundamental principles of self-preservation.

Mr. Barney Danson (York North): Mr. Speaker, my words serve only to emphasize those of my colleague from Etobicoke (Mr. Gillespie) and also to deal with other matters which have been raised in this debate. There are times when one is not so proud to be in this house due to the conduct of people and the quality of debate, but I do not think we can say that about this evening's debate. I think the motivation of it was perhaps ill-founded but sincere. I think that the contribution to it by all has been of high standard, and given with sincerity even if we do not always agree. I am particularly proud of the contributions of the leader of my party, of the Secretary of State for External Affairs (Mr. Sharp) and of the Minister of National Defence (Mr. Cadieux) for the semblance of reality they brought to a very serious subject.

In my short time here, Mr. Speaker, I have found that one of the easiest areas in which to make simple judgments is that of external affairs. Yet as one gets into it, one realizes that simple judgments are simply not valid. The complexities are indeed great, but it is very simple for those without the responsibility to criticize and almost appear credible.

The eloquence of the leader of the New Democratic party and the eloquence of the leader of the Creditiste party is at times captivating in its simplicity. One could accept their simplistic statements if one did not think about them, but we must deal with realities and the realities are not always pleasant. We have to live in the world as it is rather than how we would like it to be, and this is not always easy.

The Minister of National Defence read an inventory of weaponry that was chilling, but yet this is a fact of life. It reminded me of the time about 25 years ago I was listening in a convalescent hospital to a radio broadcast when Mr. Harry Truman, then President of the United States, announced the dropping of the first atomic bomb on Hiroshima. It opened up vistas of horror that one could barely imagine. Those who at that time realized the significance of this saw that horror and wondered how to cope with it.

The easy answer at that time was that our side had the bomb and we might as well use it before the other side got it. By doing so we would eliminate fewer people than if both sides had the bomb and used it. But fortunately some sanity prevailed and we have through some peculiar system of balances developed an arsenal of weaponry which has kept us at a relative level of peace, at least saving us from total destruction over those years, which is remarkable considering the potential for destruction that exists by error, let alone design.

I really get terribly upset when I hear my hon. friends across the way refer to anyone who shows any sense of reality in this situation, any knowledge about the real effects of this weaponry, the dangers of this weaponry, and is able to list an inventory of it, as a hawk. We do not have an easy answer to this, but we must know what we are talking about. We should forget about this weaponry and direct our energies along more constructive lines. I was thinking of the conference on housing at which Mr. Buckminster Fuller said that we have to do something even though we cannot afford it. He pointed out that when there are things such as wars, we do handle the problem and raise the money. But, unfortunately, that is an oversimplification, because we cannot deal with life and our problems in separate compartments; they are all part of the whole. My friend, the hon. member for Yorkton-Melville (Mr. Nystrom) is delightfully naïve. It is a pleasure to see him in this house with his lovely young fiancee. They have all their lives ahead of them. They deserve a lot of credit for the courage they have in facing a very complicated future.

• (12 midnight)

The answers are not simple. It is so easy to blame things on the faults of past generations. As I said the other day, this generation can and will make mistakes just as we have made ours. It is very easy to have 20-20 hindsight, but it is foresight, courage and realism we need. The concern of all of us here is for peace. I really believe this is the concern of the President of the United States and the people of the United States. We may not agree with their way of going about it, but to try to support debating points over this is really not resolving our problem; nor is it any good to stand by being "ready, yea, ready".

We have a legitimate point to make; that is, that we want to maintain the sovereignty that is ours. As my friend, the hon. member for Etobicoke (Mr. Gillespie) said, we can stand up and express our views because we have

stood up and accepted our responsibilities. I believe all of us here are united in one concern. We believe that any further escalation should be avoided; but the crux of this whole debate tonight is that we are not talking about escalation.

If the Russians were to introduce a new system of A.B.M.'s as a result of this system of A.B.M.'s, I think it would be a stabilizing instrument for peace. If we accept the premise that these are defensive weapons, this could lessen the possibility of war. I would like to find some better answer. I think and hope that the answer might be found in Geneva by the efforts of our ambassador, Mr. Ignatieff, who has been mentioned several times tonight. I do not believe that will be simple. I think as our concern is equal in respect of peace and harmony in the world, although the way we go about things may be different, this debate has served a useful purpose in focusing the concern Canada has in respect of this problem. As our Prime Minister goes to Washington I believe the hopes of all members of this house and all people of the country will go with him. He will discuss these problems with the President of the United States with a realism and knowledge which is sometimes not available to us in matters of defence and external affairs.

Our Prime Minister goes to Washington on our behalf, as he said today, in the legitimate interests of all mankind. He can go there with his head held high on our behalf because, when the chips have been down, we have shouldered our responsibilities. I hope we never lose our sense of responsibility in this regard.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I intend to speak for about two minutes because I know the hour is very late. Some excellent speeches have been made in this debate. The members are concerned about the issues of peace and war. Most members know that in the real world of 1969 we are very much involved in the fate of the world and indeed the North American continent in the future. It is a deplorable and tragic measure of our failure to establish a climate of trust and confidence that such fantastic amounts are spent by all nations, whatever their ideology, on military weapons, offensive and defensive.

One of the truly great Canadians was the founder of the C.C.F. party, J. S. Woodsworth, the member at one time for Winnipeg North Centre. This evening, as I have been listening to the debate, I have been reading the great war debates which took place in 1939. One cannot help but be moved by what was said by the late J. S. Woodsworth on that occasion. His photograph occupies a place of honour in N.D.P. halls throughout this country and for good reason.

Even this great idealist, this good man, the philosopher of the New Democratic party, which party has sponsored the resolution we have been discussing tonight, recognized that Canada's position in North America imposes certain imperatives. I shall conclude merely by quoting what J. S. Woodsworth said in 1939. On the eve of the great tragedy of the second world war he said:

> Canada is situated on the North American continent. Geographically and economically we are North America. To no small extent the attitude of our great neighbour must be a determining factor in our international relations—

Then, Woodsworth said:

> We have boasted of the unguarded border between ourselves and the United States, but we cannot assume too lightly that this condition will continue forever. We assume that the United States is going to be forever with us. I hope that they will always be sympathetic with us—

He went on to say:

> I believe that the greatest contribution that Canada can make—

Talking about the conditions at the time, he said:

> —is to maintain the most friendly possible relations with the United States.

Woodsworth's words in 1939 I think have meaning in 1969 in the context of this debate.

Mr. Deputy Speaker: Pursuant to section 13 of Standing Order 26 I am satisfied that the debate has been concluded. I, therefore, declare the motion carried. This house stands adjourned until today at 2 p.m., pursuant to Standing Order 2, subsection (1).

Motion agreed to and the house adjourned at 12.10 a.m.

END OF VOLUME VI